
AGENCY: Executive Director

SUBJECT: 2020 Ceiling Allocations

The initial balance of the 2020 state ceiling allocation is \$540,614,970. In accord with Code Section 1-11-520, \$216,245,988 (40% of the total) is designated as the state pool and \$324,368,982 (60% of the total) is designated as the local pool. There is presently a state ceiling balance of \$493,614,970 remaining for 2020. Allocation requests for 2020 totaling \$127,000,000 have been received thus far.

The recommendation from the Department of Commerce for allocations for this cycle totals \$204,000,000. The Department of Commerce makes the following recommendations for allocation from the local pool:

A. Approve the request to allocate ceiling allocation to the **Housing Authority of the City of Charleston, Archer Senior Apartments** (Charleston County), in the amount of \$23,000,000 (to provide for the design, acquisition, construction, equipping, and furnishing multifamily housing to be known as Archer School Senior Apartments (83 units), located at the corner of Nassau Street and Jackson Street in the City of Charleston).

In accord with S.C. Code of Laws Section 1-11-500, et seq., the Housing Authority of the City of Charleston has requested that the allocation of \$23,000,000 be designated for carryforward for use in subsequent years. The project is a qualifying project (i.e., qualified residential rental projects) under Section 142 of the Internal Revenue Code and is eligible for carryforward for the next three calendar years. The Authority is asked to authorize the filing of a carryforward election with the Internal Revenue Service for the project.

B. Approve the request to allocate ceiling allocation to the **Housing Authority of the City of Charleston, Esau Jenkins Village** (Charleston County), in the amount of \$9,000,000 (to provide construction and permanent financing for a portion of the costs of acquisition and construction of affordable multifamily rental housing facilities (72 units) and related facilities located in the City of Charleston, Charleston County).

In accord with S.C. Code of Laws Section 1-11-500, et seq., the Housing Authority of the City of Charleston has requested that the allocation of \$9,000,000 be designated for carryforward for use in subsequent years. The project is a qualifying project (i.e., qualified residential rental projects) under Section 142 of the Internal Revenue Code and is eligible for carryforward for the next three calendar years. The Authority is asked to authorize the filing of a carryforward election with the Internal Revenue Service for the project.

AGENCY: Executive Director

SUBJECT: 2020 Ceiling Allocations

C. Approve the request to allocate ceiling allocation to the **Spartanburg Housing Authority, Hope Road Apartments**, (Spartanburg County) in the amount of \$27,000,000 (providing financing for the acquisition of an approximately 50 acre parcel of land abutting Hope Road in unincorporated Spartanburg County and constructing 193 affordable 3 and 4 bedroom single family rental homes thereon, including amenities functionally related and subordinate thereto.

In accord with S.C. Code of Laws Section 1-11-500, et seq., the Spartanburg Housing Authority has requested that the allocation of \$27,000,000 be designated for carryforward for use in subsequent years. The project is a qualifying project (i.e., qualified residential rental projects) under Section 142 of the Internal Revenue Code and is eligible for carryforward for the next three calendar years. The Authority is asked to authorize the filing of a carryforward election with the Internal Revenue Service for the project.

D. Approve the request to allocate ceiling allocation to the **JEDA, The Retreat at Indian Land**, (Lancaster County), in the amount of \$30,000,000 (84-unit assisted living and memory care facility in Lancaster County).

In accord with S.C. Code of Laws Section 1-11-500, et seq., JEDA has requested that the allocation of \$30,000,000 be designated for carryforward for use in subsequent years. The project is a qualifying project (i.e., qualified residential rental projects) under Section 142 of the Internal Revenue Code and is eligible for carryforward for the next three calendar years. The Authority is asked to authorize the filing of a carryforward election with the Internal Revenue Service for the project.

E. Approve the request to allocate ceiling allocation to **JEDA, The Retreat at Lancaster**, (Lancaster County), in the amount of \$20,000,000 (66-unit assisted living and memory care facility in Lancaster County).

In accord with S.C. Code of Laws Section 1-11-500, et seq., JEDA has requested that the allocation of \$20,000,000 be designated for carryforward for use in subsequent years. The project is a qualifying project (i.e., qualified residential rental projects) under Section 142 of the Internal Revenue Code and is eligible for carryforward for the next three calendar years. The Authority is asked to authorize the filing of a carryforward election with the Internal Revenue Service for the project.

AGENCY: Executive Director

SUBJECT: 2020 Ceiling Allocations

F. Approve the request to allocate ceiling allocation to the **JEDA, Mainstream Pine Products, LLC**, (Berkeley County), in the amount of \$95,000,000, (recycling facility that recycles and extracts residual materials generated at pulp and paper mills).

In accord with S.C. Code of Laws Section 1-11-500, et seq., JEDA has requested that the allocation of \$95,000,000 be designated for carryforward for use in subsequent years. The project is a qualifying project (i.e., a solid waste recycling facility) under Section 142 of the Internal Revenue Code and is eligible for carryforward for the next three calendar years. The Authority is asked to authorize the filing of a carryforward election with the Internal Revenue Service for the project.

If the Authority approves the recommended request, this will leave an unexpended state ceiling balance of \$289,614,970 (state pool - \$216,245,988; local pool - \$73,368,982) to be allocated for carryforward at the end of the calendar year.

AUTHORITY ACTION REQUESTED:

In accord with Code Section 1-11-500 et seq. and upon the recommendation of the Department of Commerce, grant the following tentative ceiling allocations from the local pool:

A. Approve the request to allocate ceiling allocation to the **Housing Authority of the City of Charleston, Archer Senior Apartments** (Charleston County), in the amount of \$23,000,000 (to provide for the design, acquisition, construction, equipping, and furnishing multifamily housing to be known as Archer School Senior Apartments (83 units), located at the corner of Nassau Street and Jackson Street in the City of Charleston); and designate the allocation of the \$23,000,000 for the project as carryforward for the next three calendar years and authorize the filing of a carryforward election with the Internal Revenue Service.

B. Approve the request to allocate ceiling allocation to the **Housing Authority of the City of Charleston, Esau Jenkins Village** (Charleston County), in the amount of \$9,000,000 (to provide construction and permanent financing for a portion of the costs of acquisition and construction of affordable multifamily rental housing facilities (72 units) and related facilities located in the City of Charleston, Charleston County); and designate the allocation of the \$9,000,000 for the project as carryforward for the next three calendar years and authorize the filing of a carryforward election with the Internal Revenue Service.

AGENCY: Executive Director

SUBJECT: 2020 Ceiling Allocations

C. Approve the request to allocate ceiling allocation to the **Spartanburg Housing Authority, Hope Road Apartments**, (Spartanburg County) in the amount of \$27,000,000 (providing financing for the acquisition of an approximately 50 acre parcel of land abutting Hope Road in unincorporated Spartanburg County and constructing 193 affordable 3 and 4 bedroom single family rental homes thereon, including amenities functionally related and subordinate thereto; and designate the allocation of the \$27,000,000 for the project as carryforward for the next three calendar years and authorize the filing of a carryforward election with the Internal Revenue Service.

D. Approve the request to allocate ceiling allocation to the **JEDA, The Retreat at Indian Land**, (Lancaster County), in the amount of \$30,000,000 (84-unit assisted living and memory care facility in Lancaster County); and designate the allocation of the \$30,000,000 for the project as carryforward for the next three calendar years and authorize the filing of a carryforward election with the Internal Revenue Service.

E. Approve the request to allocate ceiling allocation to the **JEDA, The Retreat at Lancaster**, (Lancaster County), in the amount of \$20,000,000 (66-unit assisted living and memory care facility in Lancaster County); and designate the allocation of the \$20,000,000 for the project as carryforward for the next three calendar years and authorize the filing of a carryforward election with the Internal Revenue Service.

F. Approve the request to allocate ceiling allocation to the **JEDA, Mainstream Pine Products, LLC**, (Berkeley County), in the amount of \$95,000,000, (recycling facility that recycles and extracts residual materials generated at pulp and paper mills); and designate the allocation of the \$95,000,000 for the project as carryforward for the next three calendar years and authorize the filing of a carryforward election with the Internal Revenue Service.

ATTACHMENTS:

2020 Ceiling Allocation Requests; Bond transmittal form with attachments; Young 11/11/20 Memo; Code Section 1-11-500 et seq.

2020 Ceiling Allocation Requests

Recd.	Issuing Authority	Project	Request	Cumulative	Bond Counsel	Request Alloc	Request St.Law	Location	NOTES
1	01/02/20 JEDA	The Heritage at Forest Acres Properties	60,000,000	60,000,000	Kimberly Witherspoon	x		Richland	
2	07/10/20 JEDA	Last Step Recycling, LLC	47,000,000	107,000,000	Ray Jones	x		Chester	
3	09/09/20 JEDA	The Heritage at Forest Acres Properties	20,000,000	127,000,000	Kathy McKinney	x		Richland	
4	10/23/20 Housing Ath. Chas	Archer Senior Apartments	23,000,000	150,000,000	Sam Howell	x		Charleston	
5	10/23/20 Housing Ath. Chas	Esau Jenkins Village	9,000,000	159,000,000	Sam Howell	x		Charleston	
6	10/23/20 Spartanburg Hou. Ath.	Hope Road Apartments	27,000,000	186,000,000	John Van Duys	x		Spartanburg	
7	10/23/20 JEDA	The Retreat at Indian Land	30,000,000	216,000,000	Emily Zackon	x		Lancaster	
8	10/23/20 JEDA	The Retreat at Lancaster	20,000,000	236,000,000	Emily Zackon	x		Lancaster	
9	10/23/20 JEDA	Mainstream Pine Products	95,000,000	331,000,000	Ray Jones	x		Berkeley	
10	10/22/20 SCSHFDA	Balance of Ceiling Allocation							prior to meeting

2020 South Carolina State Ceiling Allocations

Summary, CY 2019

2020 State Ceiling
Initial Allocations
Expired/Relinquished
Actual Allocations
Certified for Issue
Carried Forward

540,614,970
311,000,000
60,000,000
251,000,000
0

Balance Available: 289,614,970

Issuer	Name of Project	Allocation Amount	Expired/ Relinquished	Certified for Issue	Issue Date	Attorney
Allocation: 3/3/20						
JEDA	Expiration: 6/1/20 The Heritage at Forest Acres	60,000,000	60,000,000		expired	Witherspoon
Allocation: 8/18/20						
JEDA	Expiration: 11/16/20 Last Step Recycling, LLC	47,000,000				Jones
Allocation: 12/17/20						
Housing Ath. Chas	Expiration: 12/31/23-CARRYFORWARD Archer Senior Apartments	23,000,000			carryforward	Howell
Housing Ath. Chas	Esau Jenkins Village	9,000,000			carryforward	Howell
Spartanburg Hou. Ath.	Hope Road Apartments	27,000,000			carryforward	Van Duys
JEDA	The Retreat at Indian Land	30,000,000			carryforward	Zackon
JEDA	The Retreat at Lancaster	20,000,000			carryforward	Zackon
JEDA	Mainstream Pine Products	95,000,000			carryforward	Jones
SCSHFDA	Balance of Ceiling Allocation				carryforward	Easton

2020 South Carolina State Ceiling

Balance as of December 17, 2020, if ceiling allocation granted

State Pool (40%) 216,245,988
 Total State Pool (40%) 216,245,988

Local Pool (60%) 324,368,982
 Total Local Pool (60%) 324,368,982
Certified State Ceiling 2020 540,614,970

Date Allocated	Governmental Unit	Name of Project	Pool Total	Amount Allocated	Balance Available	Certified for Issue	Issue Date	Attorney
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01/02/19 STATE POOL 216,245,988

TOTAL, STATE POOL

216,245,988 0 216,245,988 0

01/02/19	LOCAL POOL							
02/04/20	JEDA	The Heritage at Forest Acres					expired	Witherspoon Jones
07/10/20	JEDA	Last Step Recycling, LLC		0		0		
12/17/20	Housing Ath. Chas	Archer Senior Apartments		47,000,000			carryforward	Howell
12/17/20	Housing Ath. Chas	Esau Jenkins Village		23,000,000			carryforward	Howell
12/17/20	Spartanburg Hou. Ath.	Hope Road Apartments		9,000,000			carryforward	Van Duys
12/17/20	JEDA	The Retreat at Indian Land		27,000,000			carryforward	Zackon
12/17/20	JEDA	The Retreat at Lancaster		30,000,000			carryforward	Zackon
12/17/20	JEDA	Mainstream Pine Products		20,000,000			carryforward	Jones
12/17/20	SCHFDA	Balance of Ceiling Allocation		95,000,000			carryforward	Easton

TOTAL, LOCAL POOL

324,368,982 251,000,000 73,368,982 0

GRAND TOTAL

540,614,970 251,000,000 289,614,970 0



Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Robert M. Hitt III
Secretary

MEMORANDUM

To: Delbert Singleton
From: Daniel Young
Date: November 11, 2020
Re: Project Requesting Allocation

Upon the request of SC State Fiscal Accountability Authority, the South Carolina Department of Commerce evaluates allocation requests that pertain to economic development.

After reviewing information provided by the law firms of Parker Poe Adams Bernstein, LLP, Howell, Linkus and Nettles, and Haynesworth Sinkler Boyd regarding the six projects, the Department of Commerce recommends approval of all six at the December 8, 2020, meeting of the State Fiscal Accountability Authority.

Name	Amount	Score	County
Hope Rd. Apartments*	\$27,000,000	-7	Spartanburg
Jenkins Village*	\$9,000,000	-5	Charleston
Archer Senior apartments*	\$23,000,000		Charleston
Mainstream Pin Products	\$95,000,000,	2	Berkeley
Lancaster Memory Facility	\$20,000,000	4	Lancaster
Lancaster Memory Facility (Indian Land)	\$30,000,000	4	Lancaster

Please let me know if you have any questions.

Thank you.

*The low score associated with this project is due to the lack of new jobs it creates and the county designation in which it is located.

ARTICLE 3
Allocation of State Ceiling on Issuance of Private Activity Bonds

SECTION 1-11-500. Calculation and certification of state ceiling.

The state ceiling on the issuance of private activity bonds as defined in Section 146 of the Internal Revenue Code of 1986 (the Code) established in the act must be certified annually by the State Fiscal Accountability Authority secretary based upon the provisions of the act. The board secretary shall make this certification as soon as practicable after the estimates of the population of the State of South Carolina to be used in the calculation are published by the United States Bureau of the Census but in no event later than February first of each calendar year.

HISTORY: 1987 Act No. 117, Section 1.

Code Commissioner's Note

At the direction of the Code Commissioner, references in this section to the offices of the former State Budget and Control Board, Office of the Governor, or other agencies, were changed to reflect the transfer of them to the Department of Administration or other entities, pursuant to the directive of the South Carolina Restructuring Act, 2014 Act No. 121, Section 5(D)(1), effective July 1, 2015.

SECTION 1-11-510. Allocation of bond limit amounts.

(A) The private activity bond limit for all issuing authorities must be allocated by the board in response to authorized requests as described in Section 1-11-530 by the issuing authorities.

(B) The aggregate private activity bond limit amount for all South Carolina issuing authorities is allocated initially to the State for further allocation within the limits prescribed herein.

(C) Except as is provided in Section 1-11-540, all allocations must be made by the board on a first-come, first-served basis, to be determined by the date and time sequence in which complete authorized requests are received by the board secretary.

HISTORY: 1987 Act No. 117, Section 2.

SECTION 1-11-520. Private activity bond limits and pools.

(A) The private activity bond limit for all state government issuing authorities now or hereafter authorized to issue private activity bonds as defined in the act, to be known as the "state government pool", is forty percent of the state ceiling less any amount shifted to the local pool as described in subsection (B) of this section or plus any amount shifted from that pool.

(B) The private activity bond limit for all issuing authorities other than state government agencies, to be known as the "local pool", is sixty percent of the state ceiling plus any amount shifted from the state government pool or less any amount shifted to that pool.

(C) The board, with review and comment by the Joint Bond Review Committee, may shift unallocated amounts from one pool to the other at any time.

HISTORY: 1987 Act No. 117, Section 3.

SECTION 1-11-530. Authorized requests for allocation of bond limit amounts.

(A) For private activity bonds proposed for issue by other than state government issuing authorities, an authorized request is a request included in a petition to the board that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by a copy of the Inducement Contract, Inducement Resolution, or other comparable preliminary approval entered into or adopted by the issuing authority, if any, relating to the bonds. The board shall forward promptly to the committee a copy of each petition received.

(B) For private activity bonds proposed for issue by any state government issuing authority, an authorized request is a request included in a petition to the board that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by a bond resolution or comparable action by the issuing authority authorizing the issuance of the bonds. The board shall forward promptly to the committee a copy of each petition received.

(C) Each authorized request must demonstrate that the allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the project and any other facilities located at or used as a part of an integrated operation with the project.

HISTORY: 1987 Act No. 117, Section 4.

SECTION 1-11-540. Limitations on allocations.

(A) The board, with review and comment by the committee, may disapprove, reduce, or defer any authorized request. If it becomes necessary to exercise this authority, the board and the committee shall take into account the public interest in promoting economic growth and job creation.

(B) Authorized requests for state ceiling allocations of more than ten million dollars for a single project are deferred until after July first unless the board, after review and comment by the committee, determines in any particular instance that the positive impact upon the State of approving an allocation of an amount greater than ten million dollars is of such significance that approval of the allocation is warranted.

HISTORY: 1987 Act No. 117, Section 5.

SECTION 1-11-550. Certificates by issuing authority and by board.

(A) An allocation of the state ceiling approved by the board is made formal initially by a certificate which allocates tentatively a specific amount of the state ceiling to the bonds for which the allocation is requested. This tentative allocation certificate must specify the state ceiling amount allocated, the issuing authority and the project involved, and the time period during which the tentative allocation is valid. This certificate must remind the issuing authority that the tentative allocation is made final after the issuing authority chairman or other duly authorized official or agent of the issuing authority, before the issue is made, certifies the issue amount and the projected date of issue, as is required by subsection (B) of this section. It also may include other information considered relevant by the board secretary.

(B) The chairman or other authorized official or agent of an issuing authority issuing any private activity bond for which a portion of the state ceiling has been allocated tentatively shall execute and deliver to the board secretary an issue amount certificate setting forth the exact amount of bonds to be issued and the projected bond issue date which date must not be more than ten business days after the date of the issue amount certificate and it must be before the state ceiling allocation involved expires. The issue amount certificate may be an executed copy of the appropriate completed Internal Revenue Service form to be submitted to the Internal Revenue Service on the issue or it may be in the form of a letter which certifies the exact amount of bonds to be issued and the projected date of the issue.

(C) In response to the issuing authority's issue amount certificate required by subsection (B) of this section, the board secretary is authorized to issue and, as may be necessary, to revise a certificate making final the ceiling allocation approved previously by the board on a tentative basis, if the secretary determines that:

(1) the issuing authority's issue amount certificate specifies an amount not in excess of the approved tentative ceiling allocation amount;

(2) the issue amount certificate was received prior to the issue date projected and that the certificate is dated not more than ten days prior to the issue date projected;

(3) the issue date projected is within the time period approved previously for the tentative ceiling allocation; and

(4) the bonds when issued and combined with the total amount of bonds requiring a ceiling allocation included in issue amount certificates submitted previously to the board by issuing authorities do not exceed the state ceiling for the calendar year. Except under extraordinary circumstances, the board secretary shall issue this certificate within two business days following the date the issue amount certificate is received.

(D) In accordance with Section 149(e)(2)(F) of the Code, the secretary of the State Fiscal Accountability Authority is designated as the state official responsible for certifying, if applicable, that certain bonds meet the requirements of Section 146 of the Code relating to the volume cap on private activity bonds.

(E) Any tentative or final state ceiling allocation granted by the board before the effective date of this act remains valid as an allocation of a portion of the volume cap for South Carolina provided under Section 146 of the Code. The allocations expire in accordance with the regulations under which they were granted or extended and their validity may be extended or reinstated in accordance with the provisions of Sections 1-11-500 through 1-11-570.

HISTORY: 1987 Act No. 117, Section 6.

Code Commissioner's Note

At the direction of the Code Commissioner, references in this section to the offices of the former State Budget and Control Board, Office of the Governor, or other agencies, were changed to reflect the transfer of them to the Department of Administration or other entities, pursuant to the directive of the South Carolina Restructuring Act, 2014 Act No. 121, Section 5(D)(1), effective July 1, 2015.

SECTION 1-11-560. Time limits on allocations.

(A) Any state ceiling allocation approved by the board is valid only for the calendar year in which it is approved, unless eligible and approved for carry-forward election or unless specified differently in the board certificates required by Section 1-11-550.

(B) Unless eligible and approved for carry-forward election or unless specified differently in board certificates required by Section 1-11-550, each state ceiling allocation expires automatically if the bonds for which the allocation is made are not issued within ninety consecutive calendar days from the date the allocation is approved by the board.

(C) In response to a written request by the chairman or other duly authorized official or agent of an issuing authority, the board, acting during the period an approved allocation is valid, may extend the period in which an allocation is valid in a single calendar year by thirty-one consecutive calendar days to a total of not more than one hundred twenty-one consecutive calendar days.

(D) In response to a written request by the chairman or other authorized official or agent of an issuing authority, the board may reinstate for a period of not more than thirty-one consecutive calendar days in any one calendar year part or all of an allocation approved but not extended previously in accordance with subsection (C) of this section in that same calendar year which has expired. The reinstatement request must certify that the authorized request submitted previously is still true and correct or a new authorized request must be submitted.

(E) A tentative ceiling allocation is canceled automatically if the chairman or other authorized official or agent of the issuing authority involved fails to deliver the issue amount certificate required by Section 1-11-550 to the board secretary before the bonds for which the allocation is made are issued.

(F) The chairman or other authorized official or agent of an issuing authority shall advise the board secretary in writing as soon as is practicable after a decision is made not to issue bonds for which a portion of the state ceiling has been allocated. All notices of relinquishment of ceiling allocations must be entered promptly in the board's records by the board secretary.

(G) Ceiling allocations which are eligible and approved for carry-forward election are not subject to the validity limits of this section. The board shall join with the issuing authorities involved in carry-forward election statements to meet the requirements of the Internal Revenue Service.

HISTORY: 1987 Act No. 117, Section 7.

SECTION 1-11-570. Fiscal Accountability Authority to adopt policies and procedures.

The State Fiscal Accountability Authority, after review and comment by the committee, may adopt the policies and procedures it considers necessary for the equitable and effective administration of Sections 1-11-500 through 1-11-570.

HISTORY: 1987 Act No. 117, Section 8.

Code Commissioner's Note

At the direction of the Code Commissioner, references in this section to the offices of the former State Budget and Control Board, Office of the Governor, or other agencies, were changed to reflect the transfer of them to the Department of Administration or other entities, pursuant to the directive of the South Carolina Restructuring Act, 2014 Act No. 121, Section 5(D)(1), effective July 1, 2015.

SECTION 1-11-580. Fiscal Accountability Authority to make quarterly payments on certain insurance contracts.

The State Fiscal Accountability Authority shall make quarterly payments on insurance contracts where the annual premium exceeds fifty thousand dollars. The board shall undertake necessary negotiations to implement this requirement. Where fees may be incurred for quarterly rather than annual payments, the State Fiscal Accountability Authority shall determine whether the investment income opportunity is greater or less than proposed fees and shall make the decision which best benefits South Carolina.

HISTORY: 1995 Act No. 145, Part II, Section 20.

Code Commissioner's Note

At the direction of the Code Commissioner, references in this section to the offices of the former State Budget and Control Board, Office of the Governor, or other agencies, were changed to reflect the transfer of them to the Department of Administration or other entities, pursuant to the directive of the South Carolina Restructuring Act, 2014 Act No. 121, Section 5(D)(1), effective July 1, 2015.

BOND TRANSMITTAL FORM

TO: Delbert H. Singleton, Jr., Authority Secretary
State Fiscal Accountability Authority
600 Wade Hampton Building (29201)
P.O. Box 12444
Columbia, SC 29211

DATE: 10/23/2020

Submitted for SFAA Meeting on:
12/17/2020

FROM: Howell Linkous & Nettles, LLC
106 Broad Street
Charleston, South Carolina 29401

RE: Not to Exceed \$23,000,000 Housing Authority of the City of Charleston, South Carolina
Multifamily Housing Revenue Bonds (Archer Senior Apartments), Series 2020

Project Issue Date: 2/15/2020

Project Name: Archer Senior Apartments

Project Description: to provide for the design, acquisition, construction, equipping, and furnishing multifamily housing to be known as Archer School Senior Apartments, located at the corner of Nassau Street and Jackson Street in the City of Charleston, South Carolina

Employment as a result of the project: N/A

	YES	NO	AMOUNT
Ceiling Allocation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$ Click or tap here to enter text.
Refunding Involved	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.
Project Approved Previously	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.

Documents enclosed (executed original and two copies of each):

(ALL documents required for state law approval; A and C only for ceiling allocation only.)

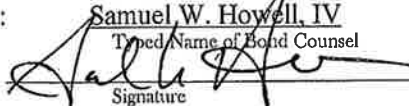
- A. ☒ Petition
- B. ☐ Resolution or Ordinance
- C. ☒ Inducement Resolution or comparable preliminary approval
- D. ☐ Department of Health and Environmental Control Certificate *if required*
- E. ☐ State Fiscal Accountability Authority Resolution and Public Notice *(original)*
Plus _____ copies for certification and return to bond counsel
- F. ☐ Draft bond counsel opinion letter
- G. ☐ Processing Fee

Amount: \$ N/A **Check No:** N/A

Payor: Click or tap here to enter text.

- H. ☐ No Private Participant will be known at the time the Authority considers this agenda item.
- J. ☐ This agenda item is accompanied by the applicable Private Party Disclosure form for each private participant.
- K. ☒ All documents have been uploaded to the SFAA Authority File Drop.

Bond Counsel: Samuel W. Howell, IV

By: 
Signature

SFAA 06/19/2020

{10131-11 / 00083402 / V2}

A.

A RESOLUTION PROVIDING THAT THE HOUSING AUTHORITY OF THE CITY OF CHARLESTON, SOUTH CAROLINA, WILL, UNDER CERTAIN CONDITIONS, ISSUE NOT EXCEEDING \$23,000,000 MULTIFAMILY HOUSING REVENUE BONDS (ARCHER SCHOOL SENIOR APARTMENTS) TO FUND A MORTGAGE LOAN TO ARCHER APARTMENTS, LLC (OR AN ENTITY AFFILIATED THEREWITH) TO FINANCE THE ACQUISITION AND CONSTRUCTION OF A MULTIFAMILY HOUSING RENTAL PROJECT IN CHARLESTON, SOUTH CAROLINA, AND TAKE CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH INCLUDING SEEKING CERTAIN APPROVALS BY THE CITY OF CHARLESTON AND THE SOUTH CAROLINA STATE FISCAL ACCOUNTABILITY AUTHORITY.

WHEREAS, the Housing Authority of the City of Charleston, South Carolina (the "Authority"), was created by a resolution adopted by the City Council of the City of Charleston (the "City") pursuant to Article 5 of Chapter 3 of Title 31 of the Code of Laws of South Carolina, 1976, as amended; and

WHEREAS, pursuant to Title 31, Chapters 3 and 13 of the Code of Laws of South Carolina 1976, as amended (collectively, the "Act"), particularly Section 31-13-90, Section 31-13-190, and Sections 31-3-20(15) and (17) thereof, the Authority may determine that if sufficient persons or families of either beneficiary class (as defined by the Act) (the "Beneficiary Classes") are unable to pay the amounts at which private enterprise is providing decent, safe, and sanitary housing in the City of Charleston, then through the exercise of a loan program authorized by Sections 31-3-450(8) and 31-13-200 of the Act, decent, safe, and sanitary housing would become available to members of the Beneficiary Classes in need thereof; and

WHEREAS, upon making such determination and upon the approval of the State Fiscal Accountability Authority, the Authority may issue from time to time notes and bonds for the purpose of obtaining funds with which to make (1) construction and/or rehabilitation loans secured by mortgages of housing sponsors; and (2) permanent mortgage loans to housing sponsors who agree to and shall be required to provide construction and/or rehabilitation of residential housing for rental by persons or families of either beneficiary class as defined by the Act; and

WHEREAS, the Authority is authorized and empowered by the Enabling Act to make commitments for any programs over which the Authority has jurisdiction; and

WHEREAS, Archer Apartments, LLC, a South Carolina limited liability company (the "Applicant") has requested the Authority to assist the Applicant in providing financing for the acquisition, construction, and equipping of multifamily housing to be known as Archer School Senior Apartments, located at the corner of Nassau Street and Jackson Street in the City of Charleston, South Carolina, consisting of approximately 83 units, with 27 units located within the existing vacant school building and 56 units placed in a newly constructed building along the back edge of the property (the "Project") at an expected cost of approximately \$32,000,000 (the "Project") to be financed by a combination of sources; and

WHEREAS, the Applicant will borrow the proceeds of the sale of the Bonds and undertake the Project and intends that the interest on obligations issued by the Authority will be excluded

from gross income for federal income tax purposes under Sections 103 and 142 of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, on the conditions described herein, and subject to the availability of adequate credit enhancement or other security satisfactory to the Authority, the Authority is willing to issue up to \$23,000,000 of its notes and/or bonds to provide for acquisition, construction, and equipping, of the Project (the “Bonds”); and

WHEREAS, the Authority has presented to the Commissioners its Petition dated as of October 26, 2020 (the “Petition”), which, together with the exhibits thereto attached, sets forth certain information with respect to the Bonds and which requests an allocation of private activity bond volume cap from the South Carolina State Fiscal Accountability Authority (the “SFAA”) pursuant to Section 146 of the Code and Section 1-11-500 et. seq. Code of Laws of South Carolina, 1976, as amended (the “Allocation Act”); and

WHEREAS, the Authority hereby authorizes its staff to approve a further Petition (the “Petition”), which, together with the exhibits thereto attached, sets forth certain information with respect to the Bonds and which requests approval of the issuance of the Bonds under Sections 31-3-90 and 31-13-220 of the Code of Laws of South Carolina, 1976, as amended; and

WHEREAS, the Authority desires to formally indicate its present intent to provide such assistance to the Applicant through the proceeds of its notes or bonds pursuant to the Enabling Act but subject to the terms and conditions hereof;

NOW, THEREFORE, be it resolved by the Authority as follows:

SECTION 1. Undertakings of Authority. In the event the Applicant meets the requirements set forth herein, the Authority will undertake:

(a) to issue the Bonds under the provisions of the Act in the amount necessary to fund a mortgage loan to the Applicant, either directly, by purchase, or through mortgage lenders, in an amount of not to exceed \$23,000,000 to provide funds for the acquisition of the Site and the construction and equipping of the Project;

(b) to petition the SFAA for (i) an allocation of private activity bond volume cap under Section 146 of the Code, and (ii) approval of the undertakings of the Authority hereunder;

(c) to request the City in accordance with the provisions of Section 147(f) of the Code, to approve the proposal of the Authority to issue the Bonds; and

(d) to do all things reasonably appropriate to seek the approval of the SFAA and the City.

Any obligation of the Authority hereunder is subject to (a) the requirements that (i) the Project receive such approval, if any, as is required under the Act, (a) if there is a public distribution of the notes or bonds, the issue must be rated by one or more of the national rating agencies and one

or more of the following conditions must be met: (i) that there is in effect a federal program providing assistance in the payment of such loans made by the Authority; (ii) the proceeds must be used to acquire either federally insured mortgages or mortgages insured by a private mortgage insurance company authorized to do business in the State of South Carolina; or (iii) the payment of the notes or bonds to the purchasers of them must be assured by the maintenance of adequate reserves or insurance or a guaranty from a responsible entity which has been determined to be sufficient by the Authority and the SFAA; or (b) if the notes or bonds are secured by a mortgage or other security agreement and are offered and sold as a unit with such mortgages or other security agreement in transactions with banks, institutional investors, or other non-registered persons as provided in Section 35-1-202(11)(A) of the Code of Laws of South Carolina, 1976, as amended, and the documents pursuant to which the notes or bonds are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its rights with respect to, any collateral or security pledged to secure the notes or bonds; and (iii) the notes or bonds of the Authority be approved by the SFAA; (b) the payment of an acceptable fee to compensate the Authority for the services of its staff and for its participation in the transaction; and (c) the right of the Authority, in its sole discretion, to rescind this resolution and elect not to issue such notes or bonds or fund such mortgage loan or loans at some future date.

SECTION 2. Filing of Petition. The Executive Director, acting Executive Director, and the staff of the Authority are hereby authorized and directed to execute and deliver a Petition to the SFAA requesting an allocation of private activity bond volume cap for the Bonds under Section 146 of the Code and the Allocation Act, and a Petition for approval of the Bonds under Sections 13-3-90 and 31-13-220 of the Code of Laws of South Carolina 1976, as amended, and to take such other action as is necessary or desirable to effect the purposes hereof without further action by the Commissioners, provided, however, that no Bonds shall be issued hereunder until the Commissioners have adopted a further resolution approving the terms and conditions thereof.

SECTION 3. Obligations of Applicant. In order to utilize the authorization referred to herein, the Applicant shall enter into agreements or documents containing the following agreements:

(a) to make the Project available for occupancy by persons in the beneficiary classes, as provided for in the Enabling Act, for such period and subject to such conditions as the Authority may determine;

(b) to provide such security for any of its obligations or mortgages to the Authority, or of the obligations of any other person to the Authority, as the Authority may in its sole discretion request;

(c) to enter into a mortgage loan agreement or agreements with respect to the Project on such terms and conditions as the Authority may deem necessary or desirable;

(d) to pay all costs and expenses incurred by the Authority which are either (i) ordinary costs and expenses of the Authority or its counsel, or (ii) approved in advance by the Applicant, including the Authority's reasonable counsel fees, in furtherance of the undertakings of the

Authority hereunder, regardless of whether any bonds or notes are issued with respect to the Project;

(e) to provide the Authority with such information and material with respect to the Project, including financial statements and information, reports, tests, surveys, appraisals, plans, specifications, drawings, occupancy rates or rent rolls, studies or feasibility studies, legal opinions, descriptions, and access for inspection of the Project or any other such items as may be required by the Authority;

(f) to enter into such agreements, execute such documents and provide such proofs or evidence as the Authority may, in its sole discretion, request in connection with its undertakings hereunder; and

(g) to make no use of the proceeds of the mortgage loan that is prohibited by the Code or the Act, or that will jeopardize the exclusion of the interest income paid on the Bonds from the gross incomes of the recipients thereof.

SECTION 4. Termination. The Authority or the Applicant may elect not to proceed with the Project or any issue of notes or bonds hereunder. The Authority shall not be obligated hereby to the Applicant or any other person by virtue of the adoption of this resolution. Neither the Applicant nor any other person shall have the right hereunder and the Authority shall not be liable in any way to the Applicant or such other person for any decision it makes not to proceed hereunder regardless of any action taken by the applicant or such other person whether known or unknown to the Authority.

SECTION 5. Amendment. All orders and resolutions or any parts thereof in conflict herewith are to the extent of such conflict hereby repealed. This resolution shall take effect and be in full force from and upon its adoption by the Authority.

SECTION 6. Official Action--Reimbursement. The Authority has previously adopted its Reimbursement Resolution, dated May 18, 2020, with respect to the Project and the Bonds. It is the intention of the Authority that this resolution shall constitute an amendment to that official action by the Authority by increasing the expected principal amount of tax-exempt bonds or notes to be issued to finance a portion of the costs of the Project. This resolution evidences the Authority's present intent within the meaning of the applicable regulations of the United States Department of the Treasury relating to the issuance of obligations under Section 142 of the Code. In the event the Applicant pays expenditures incurred prior to the date of the issuance of the Bonds, and the Authority issues the Bonds, the Authority will permit Applicant to be reimbursed for such expenditures from the proceeds of the Bonds.

SECTION 7. Transfer. The rights of the Applicant under this resolution are intended to be for the benefit of the Applicant, or any entity affiliated with the Applicant and may be transferred by the Applicant to any such party controlled by the Applicant or, with the consent of the Authority, to any other person. No other transfer of this resolution shall be valid or binding upon the Authority.

Done in meeting duly assembled this ___ day of October, 2020.

**HOUSING AUTHORITY OF THE CITY OF
CHARLESTON, SOUTH CAROLINA**

Chairman

(SEAL)

ATTEST:

Secretary

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

PETITION FOR ALLOCATION

_____)
STATE FISCAL ACCOUNTABILITY AUTHORITY) Archer School Senior Apartments
OF SOUTH CAROLINA)
_____)

The Petition of the Housing Authority of the City of Charleston, South Carolina (the "Authority") respectfully shows:

1. The Authority is an "issuing authority" as such term is used under Section 1-11-510(A) of the Code of Laws of South Carolina 1976, as amended (the "Allocation Act"), establishing a plan for the allocation of the State of South Carolina's volume limitation with respect to private activity bonds under Section 146 of the Internal Revenue Code of 1986, as amended (the "Code").

2. The Authority is authorized under Act No. 369 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina 1986 (the "Authority Act"), to have the same powers as the South Carolina State Housing Finance and Development Authority under the South Carolina State Housing Finance and Development Authority Act of 1977, Act No. 76 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina 1977, as amended (the "Enabling Act"), and pursuant to such authorization the Authority has determined to issue one or more series of Multifamily Housing Revenue Bonds pursuant to the authorizations granted to it in an amount not to exceed \$23,000,000 (the "Bonds"), for the purpose of making a mortgage loan to Archer Apartments, LLC, a South Carolina limited liability company (the "Sponsor"), to finance a portion of the costs of the acquisition and construction of multifamily housing to be known as Archer School Senior Apartments, located at the corner of Nassau Street and Jackson Street in the City of Charleston, South Carolina, consisting of approximately 83 units, with 27 units located within the existing vacant school building and 56 units placed in a newly constructed building along the back edge of the property (the "Project") to be occupied by members of the Authority's Beneficiary Classes.

3. The Allocation Act authorizes the Authority to submit its request to the State Fiscal Accountability Authority (the "SFAA") that a portion of the State Ceiling established by the Tax Reform Act (the "State Ceiling") be allocated to the Bonds.

4. This Petition constitutes an "authorized request" within the meaning of Section 1-11-530 of the Allocation Act.

5. Such assistance will permit the Sponsor to obtain low income housing tax credits under Section 42 of the Code and under South Carolina law producing equity contributions to fund a portion of the costs of the Project, thereby increasing the availability of safe and affordable

housing in the upstate of South Carolina and increasing the assessed value of the Project, to the benefit of the local and State governments.

6. The Authority represents that it is not at this time considering the issuance of any additional bonds for the Project.

Upon the basis of the foregoing, the Authority respectfully prays:

That the State Fiscal Accountability Authority accept the filing of this Petition, that it determines that the allocation amount requested is not disproportionately large in comparison with the State Ceiling not yet allocated or with the public benefits to be derived from the issuance of the Authority's Bonds, that it approve an allocation for the Bonds equal to not exceeding \$23,000,000, and that it authorize the Authority to carry forward the allocation so granted to future calendar years in accordance with the provisions of the Code.

Charleston, South Carolina
October __, 2020

Respectfully submitted,

**HOUSING AUTHORITY OF THE CITY OF
CHARLESTON, SOUTH CAROLINA**

By: _____

BOND TRANSMITTAL FORM

TO: Delbert H. Singleton, Jr., Authority Secretary
State Fiscal Accountability Authority
600 Wade Hampton Building (29201)
P.O. Box 12444
Columbia, SC 29211

DATE: 10/23/2020

Submitted for SFAA Meeting on:
12/17/2020

FROM: Howell Linkous & Nettles, LLC
106 Broad Street
Charleston, South Carolina 29401

RE: Not to exceed \$9,000,000 Housing Authority of the City of Charleston, South Carolina,
Multifamily Housing Revenue Bonds (Esau Jenkins Village), Series 2021

Project Issue Date: 3/30/2020

Project Name: Esau Jenkins Village

Project Description: to provide construction and permanent financing for a portion of the costs of acquisition and construction of affordable multifamily rental housing facilities and related facilities located in the City of Charleston, Charleston County, State of South Carolina

Employment as a result of the project: N/A

	YES	NO	AMOUNT
Ceiling Allocation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$ \$9,000,000
Refunding Involved	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.
Project Approved Previously	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.

Documents enclosed (executed original and two copies of each):

(ALL documents required for state law approval; A and C only for ceiling allocation only.)

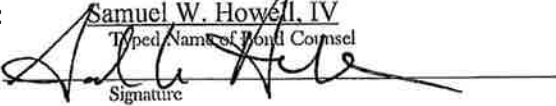
- A. ☒ Petition
- B. ☐ Resolution or Ordinance
- C. ☒ Inducement Resolution or comparable preliminary approval
- D. ☐ Department of Health and Environmental Control Certificate *if required*
- E. ☐ State Fiscal Accountability Authority Resolution and Public Notice *(original)*
Plus 6 copies for certification and return to bond counsel
- F. ☐ Draft bond counsel opinion letter
- G. ☐ Processing Fee

Amount: \$N/A Check No: N/A

Payor: Click or tap here to enter text.

- H. ☐ No Private Participant will be known at the time the Authority considers this agenda item.
- J. ☐ This agenda item is accompanied by the applicable Private Party Disclosure form for each private participant.
- K. ☒ All documents have been uploaded to the SFAA Authority File Drop.

Bond Counsel:

By: Samuel W. Howell, IV
Typed Name of Bond Counsel

Signature

SFAA 06/19/2020

{10362-01 / 00083407 / V2}

B.

HOWELL LINKOUS & NETTLES, LLC
Bond Attorneys & Counsellors at Law

Samuel W. Howell, IV
Writer's Direct No. 843.266.3801
E-mail samhowell@bond-law.com

The Lining House
106 Broad Street
Charleston, South Carolina 29401

Post Office Box 1768
Charleston, South Carolina 29402

Telephone 843.266.3800
Fax 843.266.3805

Concentrating in Municipal Bonds,
Local Government Law, Economic
Development Incentives,
Affordable Housing Development

21 October 2020

VIA FEDERAL EXPRESS

Delbert H. Singleton, Esq.
Assistant Executive Director and Board Secretary
State Fiscal Accountability Authority
Wade Hampton Office Building
1200 Senate Street, 6th Floor
Columbia, South Carolina 29201

Not to exceed \$9,000,000
Housing Authority of the City of Charleston, South Carolina, Multifamily Housing
Revenue Bonds (Esau Jenkins Village), Series 2021

Dear Delbert:

My firm serves as bond counsel to Sea Island, LP, a South Carolina limited liability company (the "Housing Sponsor"), with respect to the issuance of multifamily housing revenue bonds by the Housing Authority of the City of Charleston to provide a portion of the construction financing for the acquisition and construction of an affordable housing development to be located in the City of Charleston to be known as Esau Jenkins Village.

The bonds will provide construction financing for this project. Total project costs are at approximately \$17.2 million. Federal and State tax credit equity, in an amount over \$6.3 million, is expected to be raised as the result of financing the project with tax-exempt private activity bonds.

Delbert H. Singleton, Esq.
21 October 2020
Page 2

Enclosed is the agenda package for the December meeting of the State Fiscal Accountability Authority requesting an allocation of State Volume Cap for the bonds. I have enclosed the following documents:

1. Completed SFAA transmittal form;
2. Inducement Bond Resolution to be adopted by the Board of Commissioners of the Authority on October 26, 2020; and
3. Petition of the Authority to the SFAA.

The attached Petition and final Bond Resolution are being sent to you unsigned. Signed copies will be sent to you upon adoption of the Inducement Resolution by the Housing Authority on October 26.

In addition to the volume cap request, the Housing Authority is also requesting a carry forward of the allocation to future calendar years because the issue is not expected to close until March 2021.

I will attend the Authority's meeting to answer any questions which may arise at the meeting. In the meantime, should you have any questions or concerns, please give me a call.

With kindest personal regards, I remain,

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Sam', is written over the typed name.

Samuel W. Howell

SWH,IV/sls
Enclosures

cc: John Van Duys, Esq.

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

PETITION FOR ALLOCATION

STATE FISCAL ACCOUNTABILITY AUTHORITY)
OF SOUTH CAROLINA)

Esau Jenkins Village

The Petition of the Housing Authority of the City of Charleston, South Carolina (the "Authority") respectfully shows:

1. The Authority is an "issuing authority" as such term is used under Section 1-11-510(A) of the Code of Laws of South Carolina 1976, as amended (the "Allocation Act"), establishing a plan for the allocation of the State of South Carolina's volume limitation with respect to private activity bonds under Section 146 of the Internal Revenue Code of 1986, as amended (the "Code").

2. The Authority is authorized under Act No. 369 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina 1986 (the "Authority Act"), to have the same powers as the South Carolina State Housing Finance and Development Authority under the South Carolina State Housing Finance and Development Authority Act of 1977, Act No. 76 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina 1977, as amended (the "Enabling Act"), and pursuant to such authorization the Authority has determined to issue one or more series of Multifamily Housing Revenue Bonds pursuant to the authorizations granted to it in an amount not to exceed \$9,000,000 (the "Bonds"), for the purpose of making a mortgage loan to Sea Island, LP, a South Carolina limited partnership (the "Sponsor"), to finance a portion of the costs of the acquisition and construction of multifamily housing to be known as Esau Jenkins Village, located on Maybank Highway, on Johns Island in the City of Charleston, South Carolina (the "Site") and constructing approximately 72 units located within three buildings, and a portion of the costs of financing (the "Project") to be occupied by members of the Authority's Beneficiary Classes.

3. The Allocation Act authorizes the Authority to submit its request to the State Fiscal Accountability Authority (the "SFAA") that a portion of the State Ceiling established by the Tax Reform Act (the "State Ceiling") be allocated to the Bonds.

4. This Petition constitutes an "authorized request" within the meaning of Section 1-11-530 of the Allocation Act.

5. Such assistance will permit the Sponsor to obtain low income housing tax credits under Section 42 of the Code and under South Carolina law producing equity contributions to fund a portion of the costs of the Project, thereby increasing the availability of safe and affordable housing in the upstate of South Carolina and increasing the assessed value of the Project, to the benefit of the local and State governments.

6. The Authority represents that it is not at this time considering the issuance of any additional bonds for the Project.

Upon the basis of the foregoing, the Authority respectfully prays:

That the State Fiscal Accountability Authority accept the filing of this Petition, that it determines that the allocation amount requested is not disproportionately large in comparison with the State Ceiling not yet allocated or with the public benefits to be derived from the issuance of the Authority's Bonds, that it approve an allocation for the Bonds equal to not exceeding \$9,000,000, and that it authorize the Authority to carry forward the allocation so granted to future calendar years in accordance with the provisions of the Code.

Charleston, South Carolina
October 29, 2020

Respectfully submitted,

**HOUSING AUTHORITY OF THE CITY OF
CHARLESTON, SOUTH CAROLINA**

By: 
Chair

PETITION FOR ALLOCATION

Esau Jenkins Village

6. The Authority represents that it is not at this time considering the issuance of any additional bonds for the Project.

Upon the basis of the foregoing, the Authority respectfully prays:

That the State Fiscal Accountability Authority accept the filing of this Petition, that it determines that the allocation amount requested is not disproportionately large in comparison with the State Ceiling not yet allocated or with the public benefits to be derived from the issuance of the Authority's Bonds, that it approve an allocation for the Bonds equal to not exceeding \$9,000,000, and that it authorize the Authority to carry forward the allocation so granted to future calendar years in accordance with the provisions of the Code.

Charleston, South Carolina
October __, 2020

Respectfully submitted,

**HOUSING AUTHORITY OF THE CITY OF
CHARLESTON, SOUTH CAROLINA**

By: _____

A RESOLUTION PROVIDING THAT THE HOUSING AUTHORITY OF THE CITY OF CHARLESTON, SOUTH CAROLINA, WILL, UNDER CERTAIN CONDITIONS, ISSUE NOT TO EXCEED \$9,000,000 MULTIFAMILY HOUSING REVENUE BONDS (ESAU JENKINS VILLAGE) TO FUND A MORTGAGE LOAN TO SEA ISLAND, LP (OR AN ENTITY AFFILIATED THEREWITH) TO FINANCE THE ACQUISITION AND CONSTRUCTION OF A MULTIFAMILY HOUSING RENTAL PROJECT IN CHARLESTON, SOUTH CAROLINA, AND TAKE CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH INCLUDING SEEKING CERTAIN APPROVALS BY THE CITY OF CHARLESTON AND THE SOUTH CAROLINA STATE FISCAL ACCOUNTABILITY AUTHORITY.

WHEREAS, the Housing Authority of the City of Charleston, South Carolina (the "Authority"), was created by a resolution adopted by the City Council of the City of Charleston (the "City") pursuant to Article 5 of Chapter 3 of Title 31 of the Code of Laws of South Carolina, 1976, as amended; and

WHEREAS, pursuant to Title 31, Chapters 3 and 13 of the Code of Laws of South Carolina 1976, as amended (collectively, the "Act"), particularly Section 31-13-90, Section 31-13-190, and Sections 31-3-20(15) and (17) thereof, the Authority may determine that if sufficient persons or families of either beneficiary class (as defined by the Act) (the "Beneficiary Classes") are unable to pay the amounts at which private enterprise is providing decent, safe, and sanitary housing in the City of Charleston, then through the exercise of a loan program authorized by Sections 31-3-450(8) and 31-13-200 of the Act, decent, safe, and sanitary housing would become available to members of the Beneficiary Classes in need thereof; and

WHEREAS, upon making such determination and upon the approval of the State Fiscal Accountability Authority, the Authority may issue from time to time notes and bonds for the purpose of obtaining funds with which to make (1) construction and/or rehabilitation loans secured by mortgages of housing sponsors; and (2) permanent mortgage loans to housing sponsors who agree to and shall be required to provide construction and/or rehabilitation of residential housing for rental by persons or families of either beneficiary class as defined by the Act; and

WHEREAS, the Authority is authorized and empowered by the Enabling Act to make commitments for any programs over which the Authority has jurisdiction; and

WHEREAS, Sea Island, LP, a South Carolina limited partnership (the "Applicant"), has requested the Authority to assist the Applicant in providing financing for the acquisition and construction of multifamily housing to be known as Esau Jenkins Village, located on Maybank Highway, on Johns Island in the City of Charleston, South Carolina, to consist of approximately 72 units located within three buildings (the "Project"), at an expected cost of approximately \$17,300,000 (the "Project") to be financed by a combination of sources; and

WHEREAS, the Applicant will borrow the proceeds of the sale of the Bonds and undertake the Project and intends that the interest on obligations issued by the Authority will be excluded from gross income for federal income tax purposes under Sections 103 and 142 of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, on the conditions described herein, and subject to the availability of adequate credit enhancement or other security satisfactory to the Authority, the Authority is willing to issue up to \$9,000,000 of its notes and/or bonds to provide for acquisition and construction of the Project (the “Bonds”); and

WHEREAS, the Authority has presented to the Commissioners its Petition dated as of October 26, 2020 (the “Petition for Allocation”), which, together with the exhibits thereto attached, sets forth certain information with respect to the Bonds and which requests an allocation of private activity bond volume cap from the South Carolina State Fiscal Accountability Authority (the “SFAA”) pursuant to Section 146 of the Code and Section 1-11-500 et. seq. Code of Laws of South Carolina, 1976, as amended (the “Allocation Act”); and

WHEREAS, the Authority hereby authorizes its staff to approve a further Petition (the “Petition for Approval”), which, together with the exhibits thereto attached, sets forth certain information with respect to the Bonds and which requests approval of the issuance of the Bonds under Sections 31-3-90 and 31-13-220 of the Code of Laws of South Carolina, 1976, as amended; and

WHEREAS, the Authority desires to formally indicate its present intent to provide such assistance to the Applicant through the proceeds of its notes or bonds pursuant to the Enabling Act but subject to the terms and conditions hereof;

NOW, THEREFORE, be it resolved by the Authority as follows:

SECTION 1. Undertakings of Authority. In the event the Applicant meets the requirements set forth herein, the Authority will undertake:

(a) to issue the Bonds under the provisions of the Act in the amount necessary to fund one or more mortgage loans to the Applicant, either directly, by purchase, or through a mortgage lender, in an amount of not to exceed \$9,000,000 to provide funds for the acquisition of the Site and the construction and equipping of the Project;

(b) to petition the SFAA for (i) an allocation of private activity bond volume cap under Section 146 of the Code, and (ii) approval of the undertakings of the Authority hereunder;

(c) to request the City in accordance with the provisions of Section 147(f) of the Code to approve the proposal of the Authority to issue the Bonds; and

(d) to do all things reasonably appropriate to seek the approval of the SFAA and the City.

Any obligation of the Authority hereunder is subject to (a) the requirements that (i) the Project receive such approval, if any, as is required under the Act, (a) if there is a public distribution of the notes or bonds, the issue must be rated by one or more of the national rating agencies and one or more of the following conditions must be met: (i) that there is in effect a federal program providing assistance in the payment of such loans made by the Authority; (ii) the proceeds must

{10362-01 / 00083260 / V5}

be used to acquire either federally insured mortgages or mortgages insured by a private mortgage insurance company authorized to do business in the State of South Carolina; or (iii) the payment of the notes or bonds to the purchasers of them must be assured by the maintenance of adequate reserves or insurance or a guaranty from a responsible entity which has been determined to be sufficient by the Authority and the SFAA; or (b) if the notes or bonds are secured by a mortgage or other security agreement and are offered and sold as a unit with such mortgages or other security agreement in transactions with banks, institutional investors, or other non-registered persons as provided in Section 35-1-202(11)(A) of the Code of Laws of South Carolina, 1976, as amended, and the documents pursuant to which the notes or bonds are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its rights with respect to, any collateral or security pledged to secure the notes or bonds; and (iii) the notes or bonds of the Authority be approved by the SFAA; (b) the payment of an acceptable fee to compensate the Authority for the services of its staff and for its participation in the transaction; and (c) the right of the Authority, in its sole discretion, to rescind this resolution and elect not to issue such notes or bonds or fund such mortgage loan or loans at some future date.

SECTION 2. Filing of Petition. The Executive Director, acting Executive Director and the staff of the Authority are hereby authorized and directed to execute and deliver a Petition to the SFAA requesting an allocation of private activity bond volume cap for the Bonds under Section 146 of the Code and the Allocation Act, and a Petition for approval of the Bonds under Sections 13-3-90 and 31-13-220 of the Code of Laws of South Carolina 1976, as amended and to take such other action as is necessary or desirable to effect the purposes hereof without further action by the Commissioners, provided, however, that no Bonds shall be issued hereunder until the Commissioners have adopted a further resolution approving the terms and conditions thereof.

SECTION 3. Obligations of Applicant. In order to utilize the authorization referred to herein, the Applicant shall enter into agreements or documents containing the following agreements:

(a) to make the Project available for occupancy by persons in the beneficiary classes, as provided for in the Enabling Act, for such period and subject to such conditions as the Authority may determine;

(b) to provide such security for any of its obligations or mortgages to the Authority, or of the obligations of any other person to the Authority, as the Authority may in its sole discretion request;

(c) to enter into a mortgage loan agreement or agreements with respect to the Project on such terms and conditions as the Authority may deem necessary or desirable;

(d) to pay all costs and expenses incurred by the Authority which are either (i) ordinary costs and expenses of the Authority or its counsel, or (ii) approved in advance by the Applicant, including the Authority's reasonable counsel fees, in furtherance of the undertakings of the Authority hereunder, regardless of whether any bonds or notes are issued with respect to the Project;

(e) to provide the Authority with such information and material with respect to the Project, including financial statements and information, reports, tests, surveys, appraisals, plans, specifications, drawings, occupancy rates or rent rolls, studies or feasibility studies, legal opinions, descriptions, and access for inspection of the Project or any other such items as may be required by the Authority;

(f) to enter into such agreements, execute such documents and provide such proofs or evidence as the Authority may, in its sole discretion, request in connection with its undertakings hereunder; and

(g) to make no use of the proceeds of the mortgage loan that is prohibited by the Code or the Act, or that will jeopardize the exclusion of the interest income paid on the Bonds from the gross incomes of the recipients thereof.

SECTION 4. Termination. The Authority or the Applicant may elect not to proceed with the Project or any issue of notes or bonds hereunder. The Authority shall not be obligated hereby to the Applicant or any other person by virtue of the adoption of this resolution. Neither the Applicant nor any other person shall have the right hereunder and the Authority shall not be liable in any way to the Applicant or such other person for any decision it makes not to proceed hereunder regardless of any action taken by the applicant or such other person whether known or unknown to the Authority.

SECTION 5. Amendment. All orders and resolutions or any parts thereof in conflict herewith are to the extent of such conflict hereby repealed. This resolution shall take effect and be in full force from and upon its adoption by the Authority.

SECTION 6. Official Action--Reimbursement. It is the intention of the Authority that this resolution shall constitute an official action by the Authority evidencing its present intent within the meaning of the applicable regulations of the United States Department of the Treasury relating to the issuance of obligations under Section 142 of the Code. In the event the Applicant pays expenditures incurred prior to the date of the issuance of the Bonds, and the Authority issues the Bonds, the Authority will permit Applicant to be reimbursed for such expenditures from the proceeds of the Bonds.

SECTION 7. Transfer. The rights of the Applicant under this resolution are intended to be for the benefit of the Applicant, or any entity affiliated with the Applicant and may be transferred by the Applicant to any such party controlled by the Applicant or, with the consent of the Authority, to any other person. No other transfer of this resolution shall be valid or binding upon the Authority.

Done in meeting duly assembled this ____ day of October, 2020.

**HOUSING AUTHORITY OF THE CITY OF
CHARLESTON, SOUTH CAROLINA**

Chairman

(SEAL)

ATTEST:

Secretary

A RESOLUTION PROVIDING THAT THE HOUSING AUTHORITY OF THE CITY OF CHARLESTON, SOUTH CAROLINA, WILL, UNDER CERTAIN CONDITIONS, ISSUE NOT TO EXCEED \$9,000,000 MULTIFAMILY HOUSING REVENUE BONDS (ESAU JENKINS VILLAGE) TO FUND A MORTGAGE LOAN TO SEA ISLAND, LP (OR AN ENTITY AFFILIATED THEREWITH) TO FINANCE THE ACQUISITION AND CONSTRUCTION OF A MULTIFAMILY HOUSING RENTAL PROJECT IN CHARLESTON, SOUTH CAROLINA, AND TAKE CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH INCLUDING SEEKING CERTAIN APPROVALS BY THE CITY OF CHARLESTON AND THE SOUTH CAROLINA STATE FISCAL ACCOUNTABILITY AUTHORITY.

WHEREAS, the Housing Authority of the City of Charleston, South Carolina (the "Authority"), was created by a resolution adopted by the City Council of the City of Charleston (the "City") pursuant to Article 5 of Chapter 3 of Title 31 of the Code of Laws of South Carolina, 1976, as amended; and

WHEREAS, pursuant to Title 31, Chapters 3 and 13 of the Code of Laws of South Carolina 1976, as amended (collectively, the "Act"), particularly Section 31-13-90, Section 31-13-190, and Sections 31-3-20(15) and (17) thereof, the Authority may determine that if sufficient persons or families of either beneficiary class (as defined by the Act) (the "Beneficiary Classes") are unable to pay the amounts at which private enterprise is providing decent, safe, and sanitary housing in the City of Charleston, then through the exercise of a loan program authorized by Sections 31-3-450(8) and 31-13-200 of the Act, decent, safe, and sanitary housing would become available to members of the Beneficiary Classes in need thereof; and

WHEREAS, upon making such determination and upon the approval of the State Fiscal Accountability Authority, the Authority may issue from time to time notes and bonds for the purpose of obtaining funds with which to make (1) construction and/or rehabilitation loans secured by mortgages of housing sponsors; and (2) permanent mortgage loans to housing sponsors who agree to and shall be required to provide construction and/or rehabilitation of residential housing for rental by persons or families of either beneficiary class as defined by the Act; and

WHEREAS, the Authority is authorized and empowered by the Enabling Act to make commitments for any programs over which the Authority has jurisdiction; and

WHEREAS, Sea Island, LP, a South Carolina limited partnership (the "Applicant"), has requested the Authority to assist the Applicant in providing financing for the acquisition and construction of multifamily housing to be known as Esau Jenkins Village, located on Maybank Highway, on Johns Island in the City of Charleston, South Carolina, to consist of approximately 72 units located within three buildings (the "Project"), at an expected cost of approximately \$17,300,000 (the "Project") to be financed by a combination of sources; and

WHEREAS, the Applicant will borrow the proceeds of the sale of the Bonds and undertake the Project and intends that the interest on obligations issued by the Authority will be excluded from gross income for federal income tax purposes under Sections 103 and 142 of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, on the conditions described herein, and subject to the availability of adequate credit enhancement or other security satisfactory to the Authority, the Authority is willing to issue up to \$9,000,000 of its notes and/or bonds to provide for acquisition and construction of the Project (the "Bonds"); and

WHEREAS, the Authority has presented to the Commissioners its Petition dated as of October 26, 2020 (the "Petition"), which, together with the exhibits thereto attached, sets forth certain information with respect to the Bonds and which requests an allocation of private activity bond volume cap from the South Carolina State Fiscal Accountability Authority (the "SFAA") pursuant to Section 146 of the Code and Section 1-11-500 et. seq. Code of Laws of South Carolina, 1976, as amended (the "Allocation Act"); and

WHEREAS, the Authority hereby authorizes its staff to approve a further Petition (the "Petition"), which, together with the exhibits thereto attached, sets forth certain information with respect to the Bonds and which requests approval of the issuance of the Bonds under Sections 31-3-90 and 31-13-220 of the Code of Laws of South Carolina, 1976, as amended; and

WHEREAS, the Authority desires to formally indicate its present intent to provide such assistance to the Applicant through the proceeds of its notes or bonds pursuant to the Enabling Act but subject to the terms and conditions hereof;

NOW, THEREFORE, be it resolved by the Authority as follows:

SECTION 1. Undertakings of Authority. In the event the Applicant meets the requirements set forth herein, the Authority will undertake:

(a) to issue the Bonds under the provisions of the Act in the amount necessary to fund one or more mortgage loans to the Applicant, either directly, by purchase, or through a mortgage lender, in an amount of not to exceed \$9,000,000 to provide funds for the acquisition of the Site and the construction and equipping of the Project;

(b) to petition the SFAA for (i) an allocation of private activity bond volume cap under Section 146 of the Code, and (ii) approval of the undertakings of the Authority hereunder;

(c) to request the City in accordance with the provisions of Section 147(f) of the Code to approve the proposal of the Authority to issue the Bonds; and

(d) to do all things reasonably appropriate to seek the approval of the SFAA and the City.

Any obligation of the Authority hereunder is subject to (a) the requirements that (i) the Project receive such approval, if any, as is required under the Act, (a) if there is a public distribution of the notes or bonds, the issue must be rated by one or more of the national rating agencies and one or more of the following conditions must be met: (i) that there is in effect a federal program providing assistance in the payment of such loans made by the Authority; (ii) the proceeds must be used to acquire either federally insured mortgages or mortgages insured by a private mortgage

insurance company authorized to do business in the State of South Carolina; or (iii) the payment of the notes or bonds to the purchasers of them must be assured by the maintenance of adequate reserves or insurance or a guaranty from a responsible entity which has been determined to be sufficient by the Authority and the SFAA; or (b) if the notes or bonds are secured by a mortgage or other security agreement and are offered and sold as a unit with such mortgages or other security agreement in transactions with banks, institutional investors, or other non-registered persons as provided in Section 35-1-202(11)(A) of the Code of Laws of South Carolina, 1976, as amended, and the documents pursuant to which the notes or bonds are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its rights with respect to, any collateral or security pledged to secure the notes or bonds; and (iii) the notes or bonds of the Authority be approved by the SFAA; (b) the payment of an acceptable fee to compensate the Authority for the services of its staff and for its participation in the transaction; and (c) the right of the Authority, in its sole discretion, to rescind this resolution and elect not to issue such notes or bonds or fund such mortgage loan or loans at some future date.

SECTION 2. Filing of Petition. The Executive Director, acting Executive Director and the staff of the Authority are hereby authorized and directed to execute and deliver a Petition to the SFAA requesting an allocation of private activity bond volume cap for the Bonds under Section 146 of the Code and the Allocation Act, and a Petition for approval of the Bonds under Sections 13-3-90 and 31-13-220 of the Code of Laws of South Carolina 1976, as amended and to take such other action as is necessary or desirable to effect the purposes hereof without further action by the Commissioners, provided, however, that no Bonds shall be issued hereunder until the Commissioners have adopted a further resolution approving the terms and conditions thereof.

SECTION 3. Obligations of Applicant. In order to utilize the authorization referred to herein, the Applicant shall enter into agreements or documents containing the following agreements:

(a) to make the Project available for occupancy by persons in the beneficiary classes, as provided for in the Enabling Act, for such period and subject to such conditions as the Authority may determine;

(b) to provide such security for any of its obligations or mortgages to the Authority, or of the obligations of any other person to the Authority, as the Authority may in its sole discretion request;

(c) to enter into a mortgage loan agreement or agreements with respect to the Project on such terms and conditions as the Authority may deem necessary or desirable;

(d) to pay all costs and expenses incurred by the Authority which are either (i) ordinary costs and expenses of the Authority or its counsel, or (ii) approved in advance by the Applicant, including the Authority's reasonable counsel fees, in furtherance of the undertakings of the Authority hereunder, regardless of whether any bonds or notes are issued with respect to the Project;

(e) to provide the Authority with such information and material with respect to the Project, including financial statements and information, reports, tests, surveys, appraisals, plans, specifications, drawings, occupancy rates or rent rolls, studies or feasibility studies, legal opinions, descriptions, and access for inspection of the Project or any other such items as may be required by the Authority;

(f) to enter into such agreements, execute such documents and provide such proofs or evidence as the Authority may, in its sole discretion, request in connection with its undertakings hereunder; and

(g) to make no use of the proceeds of the mortgage loan that is prohibited by the Code or the Act, or that will jeopardize the exclusion of the interest income paid on the Bonds from the gross incomes of the recipients thereof.

SECTION 4. Termination. The Authority or the Applicant may elect not to proceed with the Project or any issue of notes or bonds hereunder. The Authority shall not be obligated hereby to the Applicant or any other person by virtue of the adoption of this resolution. Neither the Applicant nor any other person shall have the right hereunder and the Authority shall not be liable in any way to the Applicant or such other person for any decision it makes not to proceed hereunder regardless of any action taken by the applicant or such other person whether known or unknown to the Authority.

SECTION 5. Amendment. All orders and resolutions or any parts thereof in conflict herewith are to the extent of such conflict hereby repealed. This resolution shall take effect and be in full force from and upon its adoption by the Authority.

SECTION 6. Official Action--Reimbursement. It is the intention of the Authority that this resolution shall constitute an official action by the Authority evidencing its present intent within the meaning of the applicable regulations of the United States Department of the Treasury relating to the issuance of obligations under Section 142 of the Code. In the event the Applicant pays expenditures incurred prior to the date of the issuance of the Bonds, and the Authority issues the Bonds, the Authority will permit Applicant to be reimbursed for such expenditures from the proceeds of the Bonds.

SECTION 7. Transfer. The rights of the Applicant under this resolution are intended to be for the benefit of the Applicant, or any entity affiliated with the Applicant and may be transferred by the Applicant to any such party controlled by the Applicant or, with the consent of the Authority, to any other person. No other transfer of this resolution shall be valid or binding upon the Authority.

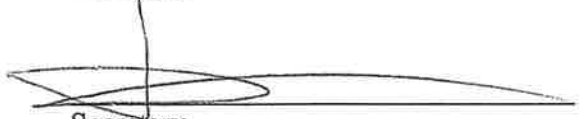
Done in meeting duly assembled this 29 day of October, 2020.

**HOUSING AUTHORITY OF THE CITY OF
CHARLESTON, SOUTH CAROLINA**


Chairman

(SEAL)

ATTEST:


Secretary

BOND TRANSMITTAL FORM

TO: Delbert H. Singleton, Jr., Authority Secretary
State Fiscal Accountability Authority
600 Wade Hampton Building (29201)
P.O. Box 12444
Columbia, SC 29211

DATE: 10/23/2020

Submitted for SFAA Meeting on:
12/17/2020

FROM: Haynsworth Sinkler Boyd, P.A.

1201 Main Street, 22nd Floor
Columbia, SC 20201

[Click or tap here to enter text.](#)

RE: Spartanburg Housing Authority Multi-Family Housing Revenue Bonds (Hope Road Apartments Project)

Project Issue Date: 1/28/2021

Project Name: Hope Road Apartments Project

Project Description: providing financing for the acquisition of an approximately 50 acre parcel of land abutting Hope Road (the "Site") in unincorporated Spartanburg County, South Carolina (the "County") and constructing 193 affordable 3 and 4 bedroom single family rental homes thereon, including amenities functionally related and subordinate thereto.

Employment as a result of the project: N/A – housing bonds.

	YES	NO	AMOUNT
Ceiling Allocation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$ 27,000,000
Refunding Involved	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.
Project Approved Previously	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.

Documents enclosed (executed original and two copies of each):

(ALL documents required for state law approval; A and C only for ceiling allocation only.)

- A. ☒ Petition
- B. ☐ Resolution or Ordinance
- C. ☒ Inducement Resolution or comparable preliminary approval
- D. ☐ Department of Health and Environmental Control Certificate *if required*
- E. ☐ State Fiscal Accountability Authority Resolution and Public Notice *(original)*
Plus _____ copies for certification and return to bond counsel
- F. ☐ Draft bond counsel opinion letter
- G. ☐ Processing Fee

Amount: [\\$Click or tap here to enter text.](#) **Check No:** [Click or tap here to enter text.](#)

Payor: Click or tap here to enter text.

- H. ☐ No Private Participant will be known at the time the Authority considers this agenda item.
- J. ☐ This agenda item is accompanied by the applicable Private Party Disclosure form for each private participant.
- K. ☒ All documents have been uploaded to the SFAA Authority File Drop.

Bond Counsel: John Van Duys
Typed Name of Bond Counsel

By: 
Signature

SFAA 06/19/2020

A RESOLUTION PROVIDING THAT THE HOUSING AUTHORITY OF THE CITY OF SPARTANBURG, SOUTH CAROLINA, WILL, UNDER CERTAIN CONDITIONS, ISSUE NOT EXCEEDING \$27,000,000 MULTIFAMILY HOUSING REVENUE BONDS (HOPE ROAD PROJECT) TO FUND A MORTGAGE LOAN TO HOPE ROAD, LLC. (OR AN ENTITY AFFILIATED THEREWITH) TO FINANCE THE ACQUISITION AND REHABILITATION OF A MULTIFAMILY HOUSING RENTAL PROJECT IN SPARTANBURG, SOUTH CAROLINA, AND TAKE CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH INCLUDING SEEKING CERTAIN APPROVALS BY THE CITY OF SPARTANBURG AND THE SOUTH CAROLINA STATE FISCAL ACCOUNTABILITY AUTHORITY.

WHEREAS, the Housing Authority of the City of Spartanburg, South Carolina (the "**Authority**"), was created by a resolution adopted by the City Council of the City of Spartanburg (the "**City**") pursuant to Article 5 of Chapter 3 of Title 31 of the Code of Laws of South Carolina, 1976, as amended; and

WHEREAS, the Authority acting by and through its Board of Commissioners (the "**Commissioners**"), is authorized and empowered under and pursuant to the provisions of Act No. 369 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1986 (the "**Enabling Act**") to have the same powers as the State Housing Authority pursuant to the provisions of Act No. 76 of the Acts and Joint Resolutions of the General Assembly for the year 1977, as amended; and

WHEREAS, in accordance with the terms of the Enabling Act, the Authority is authorized and empowered to make mortgage loans in such amounts and on such terms and conditions as the Authority shall approve to housing sponsors for residential housing and housing development and to make loans to or purchase securities from mortgage lenders upon such terms and conditions as the Authority shall approve including a requirement that the proceeds thereof be used by such mortgage lender for the making of mortgage loans for residential housing all for the purpose of providing decent, safe and sanitary residential housing to persons in the beneficiary classes (as provided for in the Enabling Act) with respect to multifamily housing; and

WHEREAS, the Authority is authorized and empowered by the Enabling Act to make commitments for any programs over which the Authority has jurisdiction; and

WHEREAS, upon obtaining the approval of the South Carolina State Fiscal Accountability Authority, the Authority is authorized by the Enabling Act to issue its notes or bonds and to use the proceeds thereof to fund any of the programs authorized by the Act under the terms and conditions provided for therein; and

WHEREAS, **HOPE ROAD DEVELOPMENT, LP**, a South Carolina limited partnership (the "**Applicant**") has requested the Authority to assist the Applicant in providing financing for the acquisition of an approximately 50 acre parcel of land abutting Hope Road (the "**Site**") in unincorporated Spartanburg County, South Carolina (the "**County**") and constructing 193 affordable 3 and 4 bedroom single family rental homes thereon, including amenities functionally related and subordinate thereto, and a portion of the costs of financing (the "**Project**"); and

WHEREAS, the Applicant will borrow the proceeds of the sale of the Bonds and undertake the Project and intends that the interest on obligations issued by the Authority will be excluded from gross income for federal income tax purposes under Sections 103 and 142 of the Internal Revenue Code of 1986, as amended (the "**Code**"); and

WHEREAS, the total cost of the Project is expected to be approximately \$50,000,000, to be financed by a combination of sources; and

WHEREAS, on the conditions described herein, and subject to the availability of adequate credit enhancement, the Authority is willing to issue up to \$27,000,000 of its notes and/or bonds to provide for acquisition and construction of the Project (the "**Bonds**"); and

WHEREAS, the Authority has presented to the Commissioners its Petition dated as of October 23, 2020 (the "**Petition**"), which, together with the exhibits thereto attached, sets forth certain information with respect to the Bonds and which requests an allocation of private activity bond volume cap from the South Carolina State Fiscal Accountability Authority pursuant to Section 146 of the Code and Section 1-11-500 *et. seq.* Code of Laws of South Carolina, 1976, as amended (the "**Allocation Act**"); and

WHEREAS, the Authority desires to formally indicate its present intent to provide such assistance to the Applicant through the proceeds of its notes or bonds pursuant to the Enabling Act but subject to the terms and conditions hereof;

NOW, THEREFORE, be it resolved by the Authority as follows:

SECTION 1. *Undertakings of Authority.* In the event the Applicant meets the requirements set forth herein, the Authority will undertake:

(a) to issue the Bonds under the provisions of the Enabling Act in the amount necessary to fund one or more mortgage loans to the Applicant, either directly, by purchase, or through a mortgage lender, in an amount of not exceeding \$27,000,000 to provide funds for the acquisition of the Site and the construction and equipping of the Project;

(b) to petition the South Carolina State Fiscal Accountability Authority for (i) an allocation of private activity bond volume cap under Section 146 of the Code, and (ii) approval of the undertakings of the Authority hereunder;

(c) to request the City and the County in accordance with the provisions of Section 147(f) of the Code, to approve the proposal of the Authority to issue the Bonds; and

(d) to do all things reasonably appropriate to seek the approval of the State Fiscal Accountability Authority and the County.

Any obligation of the Authority hereunder is subject to (a) the requirements that (i) the Project receive such approval, if any, as is required under the Enabling Act, (ii) that any bonds not secured by an external credit enhancement and rated at least "**investment grade**" by at least one of the nationally recognized municipal bond rating agencies be acquired solely as an investment by institutional investors for their own account, and (iii) the notes or bonds of the Authority be approved by the South Carolina State Fiscal Accountability Authority; (b) the payment of an acceptable fee to compensate the Authority for the services of its staff and for its participation in the transaction; and (c) the right of the Authority, in its sole discretion, to rescind this resolution and elect not to issue such notes or bonds or fund such mortgage loan or loans at some future date.

SECTION 2. *Filing of Petition.* The Executive Director, acting Executive Director and the staff of the Authority are hereby authorized and directed to execute and deliver a Petition to the South Carolina

State Fiscal Accountability Authority requesting an allocation of private activity bond volume cap for the Bonds under Section 146 of the Code and the Allocation Act, and a Petition for approval of the Bonds under Sections 13-3-90 and 31-13-220 Code of Laws of South Carolina, 1976, as amended and to take such other action as is necessary or desirable to effect the purposes hereof without further action by the Commissioners, provided, however, that no Bonds shall be issued hereunder until the Commissioners have adopted a further resolution approving the terms and conditions thereof.

SECTION 3. *Obligations of Applicant.* In order to utilize the authorization referred to herein, the Applicant shall enter into agreements or documents containing the following agreements:

(a) to make the Project available for occupancy by persons in the beneficiary classes, as provided for in the Enabling Act, for such period and subject to such conditions as the Authority may determine;

(b) to provide such security for any of its obligations or mortgages to the Authority, or of the obligations of any other person to the Authority, as the Authority may in its sole discretion request;

(c) to enter into a mortgage loan agreement or agreements with respect to the Project on such terms and conditions as the Authority may deem necessary or desirable;

(d) to pay all costs and expenses incurred by the Authority which are either (i) ordinary costs and expenses of the Authority or its counsel, or (ii) approved in advance by the Applicant, including the Authority's reasonable counsel fees and the Authority's other reasonable fees and expenses as set forth in the Authority's Guidelines for the Issuance of Bonds, in furtherance of the undertakings of the Authority hereunder, regardless of whether any bonds or notes are issued with respect to the Project;

(e) to provide the Authority with such information and material with respect to the Project, including financial statements and information, reports, tests, surveys, appraisals, plans, specifications, drawings, occupancy rates or rent rolls, studies or feasibility studies, legal opinions, descriptions, and access for inspection of the Project or any other such items as may be required by the Authority;

(f) to enter into such agreements, execute such documents and provide such proofs or evidence as the Authority may, in its sole discretion, request in connection with its undertakings hereunder; and

(g) to make no use of the proceeds of the mortgage loan that is prohibited by the Code or the Enabling Act, or that will jeopardize the exclusion of the interest income paid on the Bonds from the gross incomes of the recipients thereof.

SECTION 4. *Termination.* The Authority or the Applicant may elect not to proceed with the Project or any issue of notes or bonds hereunder. The Authority shall not be obligated hereby to the Applicant or any other person by virtue of the adoption of this resolution. Neither the Applicant nor any other person shall have the right hereunder and the Authority shall not be liable in any way to the Applicant or such other person for any decision it makes not to proceed hereunder regardless of any action taken by the applicant or such other person whether known or unknown to the Authority.

SECTION 5. *Amendment.* All orders and resolutions or any parts thereof in conflict herewith are to the extent of such conflict hereby repealed. This resolution shall take effect and be in full force from and upon its adoption by the Authority.

SECTION 6. Official Action--Reimbursement. It is the intention of the Authority that this resolution shall constitute an official action by the Authority evidencing its present intent within the meaning of the applicable regulations of the United States Department of the Treasury relating to the issuance of obligations under Section 142 of the Code. In the event the Applicant pays expenditures incurred prior to the date of the issuance of the Bonds, and the Authority issues the Bonds, the Authority will permit Applicant to be reimbursed for such expenditures from the proceeds of the Bonds.

SECTION 7. Transfer. The rights of the Applicant under this resolution are intended to be for the benefit of the Applicant, or any entity affiliated with the Applicant and may be transferred by the Applicant to any such party controlled by the Applicant or, with the consent of the Authority, to any other person. No other transfer of this resolution shall be valid or binding upon the Authority.

Done in meeting duly assembled this ^{20TH} day of October, 2020.

**HOUSING AUTHORITY OF THE CITY OF
SPARTANBURG, SOUTH CAROLINA**


Chairman

(SEAL)

ATTEST:


Secretary

HSB 6506246 v.3

STATE OF SOUTH CAROLINA)
)
COUNTY OF SPARTANBURG)

PETITION FOR ALLOCATION

STATE FISCAL ACCOUNTABILITY AUTHORITY)
OF SOUTH CAROLINA)

Hope Road Development LP
Project

The Petition of the Housing Authority of the City of Spartanburg, South Carolina (the "**Authority**") respectfully shows:

1. The Authority is an "**issuing authority**" as such term is used under Section 1-11-510(A) Code of Laws of South Carolina, 1976, as amended (the "**Allocation Act**") establishing a plan for the allocation of the State of South Carolina's volume limitation with respect to private activity bonds under Section 146 of the Internal Revenue Code of 1986, as amended (the "**Code**") imposed by the Tax Reform Act of 1986.

2. The Authority is authorized under Act No. 369 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina 1986 (the "**Authority Act**"), to have the same powers as the South Carolina State Housing Finance and Development Authority under the South Carolina State Housing Finance and Development Authority Act of 1977, Act No. 76 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina 1977, as amended (the "**Enabling Act**"), and pursuant to such authorization the Authority has determined to issue one or more series of Multifamily Rental Housing Revenue Bonds pursuant to the authorizations granted to it in an amount not to exceed \$27,000,000 (the "**Bonds**"), for the purpose of making a mortgage loan to **HOPE ROAD DEVELOPMENT, LP**, a South Carolina limited partnership (the "**Sponsor**"), to finance a portion of the costs of the acquisition of an approximately 50 acre parcel of land abutting Hope Road (the "**Site**") in unincorporated Spartanburg County, South Carolina (the "**County**") and constructing 193 affordable 3 and 4 bedroom single family rental homes thereon, including amenities functionally related and subordinate thereto, and a portion of the costs of financing (the "**Project**") to be occupied by members of the Authority's Beneficiary Classes.

3. The Allocation Act authorizes the Authority to submit its request to the State Fiscal Accountability Authority (the "**SFAA**") that a portion of the State Ceiling established by the Tax Reform Act (the "**State Ceiling**") be allocated to the Bonds.

4. This Petition constitutes an "**authorized request**" within the meaning of Section 1-11-530 of the Allocation Act.

5. Such assistance will permit the Sponsor to obtain low income housing tax credits under Section 42 of the Code producing an equity contribution to fund a portion of the costs of the Project, thereby increasing the availability of safe and affordable housing in the upstate of South Carolina and increasing the assessed value of the Project, to the benefit of the local and State governments.

6. The Authority represents that it is not at this time considering the issuance of any additional bonds for the Project.

Upon the basis of the foregoing, the Authority respectfully prays:

That the State Fiscal Accountability Authority accept the filing of this Petition, that it determines that the allocation amount requested is not disproportionately large in comparison with the State Ceiling not yet allocated or with the public benefits to be derived from the issuance of the Authority's bonds, that it approve an allocation for the Bonds equal to not exceeding \$27,000,000, and that it authorize the Authority to carry forward the allocation so granted to future calendar years in accordance with the provisions of the Code.

Spartanburg, South Carolina
October 20, 2020

Respectfully submitted,

**HOUSING AUTHORITY OF THE CITY OF
SPARTANBURG, SOUTH CAROLINA**

By: 
Shaunté Evans
Chief Executive Officer

BOND TRANSMITTAL FORM

TO: Delbert H. Singleton, Jr., Authority Secretary
State Fiscal Accountability Authority
600 Wade Hampton Building (29201)
P.O. Box 12444
Columbia, SC 29211

DATE: 10/23/2020

Submitted for SFAA Meeting on:
12/17/2020

FROM: Parker Poe Adams & Bernstein LLP

1221 Main Street, Suite 1100
Columbia, SC 29201
803-255-8000

RE: South Carolina Jobs-Economic Development Authority Senior Living Facilities Revenue Bonds (Retreat at Indian Land) Series 2021

Project Issue Date: 1/29/2021

Project Name: The Retreat at Indian Land Project

Project Description: The Borrower intends to acquire approximately 7 acres of real property and design, construct and equip an approximately 84-unit assisted living and memory care facility located at 8330 Collins Rd., Fort Mill, SC 29707 in Lancaster County, South Carolina. The facility will consist of an approximately 50,000 main building and 28,000 square feet of independent living cottages. A market study supports the need for the Project in the market.

Employment as a result of the project: 50 jobs within 24 months

	YES	NO	AMOUNT
Ceiling Allocation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$ 30,000,000
Refunding Involved	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.
Project Approved Previously	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.

Documents enclosed (executed original and two copies of each):

(ALL documents required for state law approval; A and C only for ceiling allocation only.)

- A. ☒ Petition
- B. ☐ Resolution or Ordinance
- C. ☒ Inducement Resolution or comparable preliminary approval
- D. ☐ Department of Health and Environmental Control Certificate *if required*
- E. ☐ State Fiscal Accountability Authority Resolution and Public Notice *(original)*
Plus _____ copies for certification and return to bond counsel
- F. ☐ Draft bond counsel opinion letter
- G. ☐ Processing Fee

Amount: \$Click or tap here to enter text. **Check No:** Click or tap here to enter text.

Payor: Click or tap here to enter text.

- H. ☐ No Private Participant will be known at the time the Authority considers this agenda item.
- J. ☒ This agenda item is accompanied by the applicable Private Party Disclosure form for each private participant.

Bond Counsel: Parker Poe Adams & Bernstein LLP
Typed Name of Bond Counsel

By: /s Emily W. Zackon
Signature



Emily W. Zackon

Associate

t: 803.253.6867

f: 803.255.8017

emilyzackon@parkerpoe.com

Atlanta, GA
Charleston, SC
Charlotte, NC
Columbia, SC
Greenville, SC
Raleigh, NC
Spartanburg, SC
Washington, DC

October 23, 2020

Via Upload to Liquid Files

Delbert H. Singleton, Jr.
Assistant Executive Director and Authority Secretary
SC State Fiscal Accountability Authority
1200 Senate Street, Suite 600
Columbia, South Carolina 29201

**Re: Not Exceeding \$30,000,000
South Carolina Jobs-Economic Development Authority
Economic Development Revenue Bonds
(Retreat at Indian Land Project)**

Dear Delbert:

Please find enclosed for the State Fiscal Accountability Authority's ("SFAA") consideration at its December 17, 2020, meeting, the following documents relating to a petition from the South Carolina Jobs-Economic Development Authority ("JEDA") pursuant to Article 3, Chapter 11 of Title 1 of the South Carolina Code of Laws, 1976, as amended ("Act"), for a State ceiling allocation in the amount of \$30,000,000 ("Allocation") for the above-referenced bonds ("Bonds"):

- A. a completed transmittal form;
- B. a form of JEDA's Petition to the SFAA;
- C. a form of JEDA's Inducement Resolution and Inducement Agreement;
- D. a form of JEDA's Petition to the South Carolina Coordinating Council for Economic Development ("CCED");
- E. a form of the CCED's Resolution approving the Bonds;
- F. Private Participant Disclosures (with Organizational Chart).

The Bonds and the Project (as defined herein) are expected to be induced by JEDA at its November 18, 2020, meeting and considered by the CCED at its December 3, 2020, meeting. Executed versions of the enclosed documents will be provided following the respective meetings of JEDA and the CCED.

The Bonds are anticipated to be issued by JEDA for the purpose of providing a loan to Whitehall Senior Living, LLC, and one or more of its related or affiliated entities ("Borrower"), to finance a portion of the costs of acquiring, designing, constructing, and equipping an assisted living and memory care facility ("Project") in Lancaster County, South Carolina ("County").

Because the closing of the transaction is expected to occur during the first quarter of 2021, the Borrower requests, together with JEDA, that the SFAA approve the allocation for a carry-forward election.. As a qualified residential rental project under Section 142 of the Internal Revenue Code, the Allocation for the Bonds is eligible for a carry-forward designation.

Pursuant to Section 1-11-530 of the Act, the allocation amount as set forth in this letter and the enclosed documents constitutes all of the private activity bond financing contemplated at this time for the Project.

Please do not hesitate to contact me should you have any questions regarding the Bonds, or the information and requests included with this letter. Thank you in advance for your assistance.

Sincerely,

Emily W. Zackon

Enclosures: stated

cc: Harry Huntley, Executive Director
South Carolina Jobs-Economic Development Authority
(via email: hhuntley@scjeda.com)

Claudia Miller, Administrative Manager
South Carolina Jobs-Economic Development Authority
(via email: cmiller@scjeda.com)

November ____, 2020

(SEAL)

Respectfully submitted,

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

By: _____
Harry A. Huntley, Executive Director

**THE SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

**A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY
OF AN INDUCEMENT AGREEMENT BY AND BETWEEN SOUTH
CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY AND
WHITEHALL SENIOR LIVING, LLC, WHEREBY UNDER CERTAIN
CONDITIONS THE SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY WILL ISSUE NOT TO EXCEED
\$30,000,000 OF ITS ECONOMIC DEVELOPMENT REVENUE BONDS
IN ONE OR MORE SERIES, TAXABLE OR TAX-EXEMPT, PURSUANT
TO THE PROVISIONS OF TITLE 41, CHAPTER 43 OF THE CODE OF
LAWS OF SOUTH CAROLINA 1976, AS AMENDED, AND
AUTHORIZING APPLICATION UPON CERTAIN CONDITIONS TO
THE SOUTH CAROLINA COORDINATING COUNCIL FOR
ECONOMIC DEVELOPMENT FOR APPROVAL OF THE ISSUANCE
OF SUCH BONDS; AND OTHER RELATED MATTERS**

WHEREAS, the South Carolina Jobs-Economic Development Authority ("*Authority*"), acting by and through its Board of Directors, is authorized and empowered under and pursuant to the provisions of Title 41, Chapter 43 of the Code of Laws of South Carolina 1976, as amended ("*Act*"), to utilize any of its program funds to establish loan programs to encourage and assist the location of new business enterprises in the State of South Carolina ("*State*") and for other purposes described in Section 41-43-160 of the Act in order to promote and develop the business and economic welfare of the State and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State and act in conjunction with other persons and organizations, public or private, in the promotion and advancement of industrial, commercial, agricultural, and recreational development in this State; and

WHEREAS, in order to provide funds for any program authorized by the Act, the Authority is further authorized by Section 41-43-110 of the Act to issue limited obligations, the principal and interest of which are payable by the Authority solely from a revenue producing source and secured by a pledge of said revenues; and

WHEREAS, Whitehall Senior Living, LLC, and one or more of its related or affiliated entities (collectively, "*Borrower*"), has applied to the Authority to issue not to exceed \$30,000,000 of its Economic Development Revenue Bonds ("*Bonds*") in one or more series, taxable or tax-exempt, in order to (i) finance a portion of the costs of acquiring, designing, constructing, and equipping an assisted living and memory care facility ("*Facility*") in Lancaster County, South Carolina ("*County*"), all of which the Borrower represents is property eligible to be financed with economic development revenue bonds, (ii) fund certain accounts and funds related to the Facility and the Bonds, (iii) finance capitalized interest during the construction period of the Improvements, and (iv) provide for certain fees and expenses to be incurred in connection with the issuance of the Bonds (collectively, (i), (ii), (iii) and (iv) are the "*Project*"), and the Authority wishes to induce the Borrower to undertake the Project; and

WHEREAS, it is in the public interest, for public benefit and in furtherance of the public purposes of the Authority, that its Board of Directors provide preliminary approval of the issuance of revenue bonds for the aforesaid purposes; and

WHEREAS, it is deemed advisable by the Authority to file with the South Carolina Coordinating Council for Economic Development ("*Coordinating Council*"), in compliance with Section 41-43-110 of the Act, a petition (defined below) of the Authority requesting approval by the Coordinating Council for the issuance of the Bonds which are anticipated to be privately placed by Lument Securities, LLC with qualified institutional buyers and accredited investors; and

WHEREAS, it is deemed advisable by the Authority to file with the State Fiscal Accountability Authority ("*SFAA*"), in compliance with Section 1-11-530 of the Code of Laws of South Carolina 1976, as amended, a petition of the Authority requesting \$30,000,000 of the State ceiling be allocated by the SFAA to the Bonds and that such allocation be approved for a carry-forward election.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority ("*Board*") as follows:

Section 1. It is hereby found, determined, and declared as follows:

(a) The Borrower is a responsible party and the Facility is located in the County.

(b) The Borrower has demonstrated to the Authority that the assistance of the Authority by the issuance of its revenue bonds for the construction of the Improvements will result in (i) the creation of direct employment for approximately 40 people within 12 months and 50 people within 24 months which employees will be from the County and adjacent areas, and (ii) the promotion of other public benefits incident to the conduct of such activity not otherwise provided locally; and the number of jobs and other public benefit resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

(c) The principal amount of the Bonds bears a reasonable relationship to the amount of private funds committed to the Project.

(d) The size and scope of the Project is such that a definite benefit to the economy of the State, and the County in particular, is reasonably expected to result therefrom.

Section 2. Subject to such approval by the Coordinating Council, the Board preliminarily approves the issuance and sale of the Bonds for the purpose of providing funds to be loaned to the Borrower to finance the Project and the related items as described in the recitals, above.

Section 3. The issuance and sale of the Bonds shall be upon such terms and conditions as may be mutually agreed upon by the Authority, the Borrower and the purchaser of the Bonds, and shall be subject to completion of proceedings for issuance, sale and delivery of the Bonds satisfactory to the Authority. The provisions, terms, and conditions of the agreements to be entered into in connection with the issuance of the Bonds by the Authority, and the form, details, rate or rates of interest, maturity, and redemption provisions, if any, of the Bonds, other details of any loan agreement relating to the Bonds, and findings required by the Act shall be prescribed by subsequent resolution of the Authority and shall be reasonable and proper (taking into account such factors as the type of program involved, the principal amount of the Bonds, and the number and type of jobs involved), and the public interest shall be adequately protected by the terms thereof.

Section 4. The Executive Director is hereby authorized and directed to execute the Inducement Agreement in the form attached hereto as Exhibit A (with such changes as shall have been approved by

counsel to the Authority), in the name and on behalf of the Authority and to affix the seal of the Authority and to attest the same, and the Executive Director of the Authority is hereby further authorized and directed to deliver said executed Inducement Agreement to the Borrower.

Section 5. It is the intention of the Authority that this resolution shall constitute an official action on the part of the Authority within the meaning of the applicable regulations of the Department of Treasury of the United States of America relating to the issuance of tax-exempt revenue bonds.

Section 6. The Bonds shall never constitute an indebtedness of the Authority or the State within the meaning of any state constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the Authority or the State or a charge against the general credit of the Authority or the State or the taxing powers of the State.

Section 7. There shall be and is hereby authorized and directed the submission on behalf of the Authority, of (i) a petition requesting approval by the Coordinating Council (pursuant to the provisions of Section 41-43-110 of the Act) of the issuance of the Bonds which are anticipated to be privately placed by Lument Securities, LLC with qualified institutional and accredited investors, and (ii) a petition requesting the SFAA allocate \$30,000,000 of the State ceiling to the Bonds and that the SFAA make a carry-forward election with respect to such allocation.

Section 8. The Executive Director shall be and is hereby authorized and directed to execute the petitions in the name and on behalf of the Authority, and to affix the seal of the Authority to the petitions, upon the conditions set forth hereinabove, to submit an executed copy of this resolution to the Coordinating Council and the SFAA.

Section 9. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this resolution shall take effect and be in full force from and after its passage and approval.

[SIGNATURE PAGE FOLLOWS]
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Passed and approved: November 18, 2020.

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

Harry A. Huntley, Executive Director

INDUCEMENT AGREEMENT

THIS INDUCEMENT AGREEMENT made and entered into by and between **SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY**, a public body corporate and politic and an agency and duly constituted authority of the State of South Carolina ("*Authority*"), and **WHITEHALL SENIOR LIVING, LLC**, and its related entities (collectively, "*Borrower*").

WITNESSETH

ARTICLE I RECITATION OF FACTS

As a means of setting forth the matters of mutual inducement which have resulted in the making and entering into of this Agreement, the following statements of fact are herewith recited:

Section 1.01. The Authority, acting by and through its Board of Directors, is authorized and empowered under and pursuant to the provisions of Title 41, Chapter 43 of the Code of Laws of South Carolina 1976, as amended ("*Act*"), to utilize any of its program funds to establish loan programs to encourage and assist the location of new business enterprises in the State of South Carolina ("*State*") and for other purposes described in Section 41-43-160 of the Act in order to promote and develop the business and economic welfare of the State and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State and act in conjunction with other persons and organizations, public or private, in the promotion and advancement of industrial, commercial, agricultural, and recreational development in this State.

Section 1.02. In order to provide funds for any program authorized by the Act, the Authority is further authorized by Section 41-43-110 of the Act to issue limited obligations, the principal and interest of which are payable by the Authority solely from a revenue producing source and secured by a pledge of said revenues.

Section 1.03. The Borrower has applied to the Authority to issue not to exceed \$30,000,000 of its Economic Development Revenue Bonds ("*Bonds*") in one or more series, taxable or tax-exempt, in order to (i) finance a portion of the costs of acquiring, designing, constructing, and equipping an assisted living and memory care facility ("*Facility*") in Lancaster County, South Carolina ("*County*"), all of which the Borrower represents is property eligible to be financed with economic development revenue bonds, (ii) fund certain accounts and funds related to the Facility and the Bonds, (iii) finance capitalized interest during the construction period of the Improvements, and (iv) provide for certain fees and expenses to be incurred in connection with the issuance of the Bonds (collectively, (i), (ii), (iii) and (iv) are the "*Project*"), and the Authority wishes to induce the Borrower to undertake the Project.

Section 1.04. (a) The Borrower is a responsible party and the Facility is located in the County.

(b) The Borrower has demonstrated to the Authority that the assistance of the Authority by the issuance of its revenue bonds for 40 people within 12 months and 50 people within 24 months, which employees will be from the County and adjacent areas, and (ii) the promotion of other public benefits incident to the conduct of such activity not otherwise provided locally; and the number of jobs and other public benefit resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

(c) The principal amount of the Bonds bears a reasonable relationship to the amount of private funds committed to the Project.

(d) The size and scope of the Project is such that a definite benefit to the economy of the State, and the County in particular, is reasonably expected to result therefrom.

Section 1.05. The Authority has given due consideration to all the proposals and requests of the Borrower and has agreed to endeavor to effect the issuance of the Bonds at the time and on the terms and conditions hereafter set forth.

ARTICLE II UNDERTAKING ON THE PART OF THE AUTHORITY

The Authority agrees as follows:

Section 2.01. The Authority will, subject to such approval by the South Carolina Coordinating Council for Economic Development ("*Coordinating Council*"), and subject to the limitations set forth herein, authorize the issuance of the Bonds, at such time as the Borrower may request the Authority to do so.

Section 2.02. The Authority will permit the Borrower to arrange for the sale of the Bonds to defray certain costs of the Project as aforesaid, and if successful marketing arrangements can be made, it will adopt such proceedings and enter into such agreements as are necessary for the issuance and securing of the Bonds.

Section 2.03. The proceeds of any sale of the Bonds may be applied to the payment of the costs of the Project as determined under the Act, including, without limitation, the expenses incurred in connection with the issuance and sale of the Bonds, the design, acquisition, construction and equipping of the Improvements, including land, buildings, equipment, and other items permitted by the Act, the repayment of any funds, advances or loans incurred by the Borrower for such purposes, the creation of a debt service reserve fund, and the provision of funds for capitalized interest.

Section 2.04. Prior to issuing the Bonds, the Authority may enter into a loan agreement with the Borrower and a security agreement with the trustee (to be requested by the Borrower and approved by the Authority and the State Treasurer) or with the purchasers of the Bonds, pursuant to which the Bonds will be secured and issued. Such documents shall be substantially in the form used in connection with the issuance of other South Carolina revenue bonds and shall constitute a lien on the revenues derived from the Borrower with respect to the Project to secure the payment of the Bonds. Provisions, terms and conditions of the agreements to be entered into in connection with the issuance of the Bonds by the Authority, and the form, details, rate or rates of interest, maturity and redemption provisions, if any, of the Bonds, and other details of any loan agreement relating to the Bonds, shall be prescribed by subsequent resolution of the Authority and shall be reasonable and proper, taking into account such facts as type of program involved, the principal amount of the Bonds and the number and type of jobs involved, and the public interest shall be adequately protected by the terms thereof.

Section 2.05. The Authority will perform such other acts and adopt such further proceedings as may be required faithfully to implement its undertaking and to consummate the proposed financing.

Section 2.06. The undertakings of the Authority hereunder are contingent upon the Authority continuing to evaluate the Project as desirable and beneficial to the public interest after considering all additional circumstances of which the Authority may hereafter become aware and upon the Borrower providing the Authority with such further evidence as may be satisfactory to the Authority as to compliance with all applicable laws, statutes and regulations.

ARTICLE III UNDERTAKINGS ON THE PART OF THE BORROWER

Section 3.01. The Borrower agrees that the Authority will have no obligation to find a purchaser of the Bonds and acknowledges that the Authority's approval of this Agreement is preliminary and is conditioned upon the Authority continuing to evaluate the Project as desirable and beneficial to the public interest after considering all additional circumstances of which the Authority may hereafter become aware.

Section 3.02. The Borrower further agrees, if the issuance of the Bonds proceeds as contemplated, as follows:

- (a) to acquire the Project;
- (b) to enter into a loan agreement with the Authority, under the terms of which the Borrower will obligate itself to pay to the Authority sums sufficient to pay the principal of and interest and premium, if any, on the Bonds, as and when the same become due and payable;
- (c) to hold the Authority harmless from all pecuniary liability and to reimburse it for all expenses to which it might be put in the fulfillment of its obligations under this Agreement;
- (d) to perform such further acts and adopt such further proceedings as may be required faithfully to implement its undertakings and to consummate the proposed financing; and
- (e) to covenant and agree in the loan agreement referred to above to install in the buildings which are to become a part of the Project all necessary equipment and furnishings and initially to operate the Project in the manner described in Section 1.03 hereof.

ARTICLE IV GENERAL PROVISIONS

Section 4.01. All commitments of the Authority under Article II hereof are subject to all of the provisions of the Act and regulations of the Authority pursuant thereto and the condition that nothing contained in this Agreement shall constitute nor give rise to a pecuniary liability of the Authority or a charge against its general credit.

Section 4.02. The parties hereto agree that the Borrower may proceed with the Project, including the acquisition of membership interests, real property, or leasehold interests therein, the construction of a building or buildings and additions to a building or buildings, and the acquisition and installation of the equipment and furnishings, prior to the issuance of the Bonds.

Section 4.03. All commitments of the Authority and the Borrower hereunder are subject to the condition that the Authority and the Borrower do agree on mutually acceptable terms and conditions of all documents, the execution and delivery of which are contemplated by the provisions hereof.

Section 4.04. The parties understand that the Borrower or the Authority may choose not to finance the Project as herein provided, in which event this Agreement shall become void.

Section 4.05. It is the intention of the parties hereto that this Agreement shall constitute an official action on the part of the Authority within the meaning of the applicable regulations of the Department of Treasury of the United States of America relating to the issuance of tax-exempt revenue bonds.

IN WITNESS WHEREOF, the parties hereto, each after due authorization, have executed this Agreement on the respective dates indicated below.

[SIGNATURE PAGE FOLLOWS]
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**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

(SEAL)

By: _____
Harry A. Huntley, Executive Director

Dated: November ____, 2020

WHITEHALL SENIOR LIVING, LLC

By: _____
Name: _____
Title: Authorized Representative

Dated: November ____, 2020

INDUCEMENT AGREEMENT BY AND BETWEEN SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY AND WHITEHALL SENIOR LIVING, LLC
[SIGNATURE PAGE]

STATE OF SOUTH CAROLINA)	
)	
RICHLAND COUNTY)	
)	
)	
TO THE SOUTH CAROLINA)	PETITION OF THE
)	SOUTH CAROLINA
COORDINATING COUNCIL)	JOBS-ECONOMIC
)	DEVELOPMENT AUTHORITY
FOR ECONOMIC DEVELOPMENT)	

This Petition of the South Carolina Jobs-Economic Development Authority ("*Authority*"), pursuant to Title 41, Chapter 43 of the Code of Laws of South Carolina 1976, as amended ("*Act*"), and specifically Section 41-43-110 thereof, respectfully shows:

1. The Act, among other things, empowers the Authority: to utilize any of its program funds to establish loan programs to encourage and assist the location of new business enterprises in the State of South Carolina ("*State*") and for other purposes described in the Act in order to promote and develop the business and economic welfare of the State and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State; (ii) act in conjunction with other persons and organizations, public or private, in the promotion and advancement of industrial, commercial, agricultural, and recreational development in the State; and (iii) subject to the approval of the South Carolina Coordinating Council for Economic Development ("*Coordinating Council*") of the issuance of its bonds pursuant to Section 41-43-110 of the Act, to issue revenue bonds in order to provide funds for any program authorized by the Act, and to secure the payment of such bonds, all as provided in the Act.

2. The Authority has agreed to assist Whitehall Senior Living, LLC, and one or more related or affiliated entities ("*Borrower*") by issuing one or more series of its Economic Development Revenue Bonds ("*Bonds*") to (i) finance a portion of the costs of acquiring, designing, constructing, and equipping an assisted living and memory care facility ("*Facility*") in Lancaster County, South Carolina ("*County*"), all of which constitutes property eligible to be financed with economic development revenue bonds, (ii) fund certain accounts and funds related to the Facility and the Bonds, (iii) finance capitalized interest during the construction period of the Facility, and (iv) provide for certain fees and expenses to be incurred in connection with the issuance of the Bonds (collectively, (i), (ii), (iii) and (iv) are the "*Project*").

3. The Authority has been advised by the Borrower that the estimated cost of the Project will be approximately \$30,000,000 and the Borrower has requested the Authority to execute and deliver the Bonds in one or more series, taxable or tax-exempt, in the aggregate principal amount of not exceeding \$29,500,000 to defray such costs.

4. The Bonds are anticipated to be privately placed by Lument Securities, LLC with qualified institutional buyers and accredited investors, which arrangement the Authority has determined to be most advantageous.

5. The Authority hereby finds that:

(a) The Borrower is a responsible party and the Facility is located in the County.

(b) It is anticipated that the Project will benefit the general public welfare of the State, and the County in particular, by providing for (i) the creation of direct employment for approximately 40 people within 12 months and 50 people within 24 months, which employees will be from the County and adjacent areas, and (ii) the promotion of other public benefits incident to the conduct of such activity not otherwise

provided locally; and the number of jobs and other public benefit resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

(c) The size and scope of the Project is such that a definite benefit to the economy of the State, and the County in particular, is reasonably expected to result therefrom.

(d) The principal amount of the Bonds bears a reasonable relationship to the amount of funds of the Borrower committed to the Project.

6. Prior to issuance of the Bonds, the Authority will, as part of its proceedings:

(a) Hold a public hearing, following proper notice, which allows the public an opportunity to speak on the Bonds and the proposed Project;

(b) Make findings that the terms of the agreements to be entered into in connection with the Project are reasonable and proper as to the adequacy of protection for the public interest provided by such terms;

(c) Negotiate the terms of such agreements to the extent necessary to conclude that neither the financing of the Project, the Bonds proposed to be issued by the Authority to defray the cost of the Project, nor any documents or agreements entered into by the Authority in connection therewith will constitute or give rise to a pecuniary liability of the Authority or the State or a charge against the general credit or taxing power of either, and only program funds (as defined in the Act) will be made available to finance the Project;

(d) Undertake such review as is necessary to conclude that the Borrower is an organization with established credit and is a responsible party; and

(e) Undertake such review as is necessary to conclude that the issuance of the Bonds by the Authority in the final principal amount requested by the Borrower will be required to defray the cost of financing the Project, and such principal amount bears a reasonable relationship to the amount of private funds also committed to the Project.

Upon the basis of the foregoing, the Authority respectfully prays that the Coordinating Council (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such review as it deems advisable, and (iii) approve the issuance of the Bonds by the Authority through a limited offering, or as the Authority otherwise deems most advantageous, pursuant to the Act to defray the costs of financing the Project (including changes in any details of said financing as finally consummated which do not materially affect the undertaking of the Authority).

November ____, 2020

(SEAL)

Respectfully submitted,

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

By: _____
Harry A. Huntley, Executive Director

BOND TRANSMITTAL FORM

TO: Delbert H. Singleton, Jr., Authority Secretary **DATE:** 10/23/2020
State Fiscal Accountability Authority
600 Wade Hampton Building (29201)
P.O. Box 12444
Columbia, SC 29211

Submitted for SFAA Meeting on:
12/17/2020

FROM: Parker Poe Adams & Bernstein LLP
1221 Main Street, Suite 1100
Columbia, SC 29201
803-255-8000

RE: South Carolina Jobs-Economic Development Authority Senior Living Facilities Revenue Bonds (Indian Land Assisted Living Project) Series 2021

Project Issue Date: 1/29/2021

Project Name: The Retreat at Lancaster

Project Description: The Borrower intends to acquire approximately 5.75 acres of real property and design, construct and equip an approximately 66-unit assisted living and memory care facility located at 2383 Charlotte Hwy, Lancaster, SC 29720 in Lancaster County, South Carolina. The facility will consist of an approximately 50,000 building. A market study supports the need for the Project in the market.

Employment as a result of the project: 48 jobs within 24 months

	YES	NO	AMOUNT
Ceiling Allocation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$ 20,000,000
Refunding Involved	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.
Project Approved Previously	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.

Documents enclosed (executed original and two copies of each):

(ALL documents required for state law approval; A and C only for ceiling allocation only.)

- A. ☒ Petition
- B. ☐ Resolution or Ordinance
- C. ☒ Inducement Resolution or comparable preliminary approval
- D. ☐ Department of Health and Environmental Control Certificate *if required*
- E. ☐ State Fiscal Accountability Authority Resolution and Public Notice *(original)*
Plus _____ copies for certification and return to bond counsel
- F. ☐ Draft bond counsel opinion letter
- G. ☐ Processing Fee

Amount: \$Click or tap here to enter text. **Check No:** Click or tap here to enter text.

Payor: Click or tap here to enter text.

- H. ☐ No Private Participant will be known at the time the Authority considers this agenda item.
- J. ☒ This agenda item is accompanied by the applicable Private Party Disclosure form for each private participant.

E.

Bond Counsel: Parker Poe Adams & Bernstein LLP
Typed Name of Bond Counsel

By: _____
Signature



Emily W. Zackon

Associate

t: 803.253.6867

f: 803.255.8017

emilyzackon@parkerpoe.com

Atlanta, GA
Charleston, SC
Charlotte, NC
Columbia, SC
Greenville, SC
Raleigh, NC
Spartanburg, SC
Washington, DC

October 23, 2020

Via Upload to Liquid Files

Delbert H. Singleton, Jr.
Assistant Executive Director and Authority Secretary
SC State Fiscal Accountability Authority
1200 Senate Street, Suite 600
Columbia, South Carolina 29201

**Re: Not Exceeding \$20,000,000
South Carolina Jobs-Economic Development Authority
Economic Development Revenue Bonds
(Retreat at Lancaster Project)**

Dear Delbert:

Please find enclosed for the State Fiscal Accountability Authority's ("SFAA") consideration at its December 17, 2020, meeting, the following documents relating to a petition from the South Carolina Jobs-Economic Development Authority ("JEDA") pursuant to Article 3, Chapter 11 of Title 1 of the South Carolina Code of Laws, 1976, as amended ("Act"), for a State ceiling allocation in the amount of \$20,000,000 ("Allocation") for the above-referenced bonds ("Bonds"):

- A. a completed transmittal form;
- B. a form of JEDA's Petition to the SFAA;
- C. a form of JEDA's Inducement Resolution and Inducement Agreement;
- D. a form of JEDA's Petition to the South Carolina Coordinating Council for Economic Development ("CCED");
- E. a form of the CCED's Resolution approving the Bonds;
- F. Private Participant Disclosures (with Organizational Chart).

The Bonds and the Project (as defined herein) are expected to be induced by JEDA at its November 18, 2020, meeting and considered by the CCED at its December 3, 2020, meeting. Executed versions of the enclosed documents will be provided following the respective meetings of JEDA and the CCED.

The Bonds are anticipated to be issued by JEDA for the purpose of providing a loan to Whitehall Senior Living, LLC, and one or more of its related or affiliated entities ("Borrower"), to finance a portion of the costs of acquiring, designing, constructing, and equipping an assisted living and memory care facility ("Project") in Lancaster County, South Carolina ("County").

Because the closing of the transaction is expected to occur during the first quarter of 2021, the Borrower requests, together with JEDA, that the SFAA approve the allocation for a carry-forward election.. As a qualified residential rental project under Section 142 of the Internal Revenue Code, the Allocation for the Bonds is eligible for a carry-forward designation.

Pursuant to Section 1-11-530 of the Act, the allocation amount as set forth in this letter and the enclosed documents constitutes all of the private activity bond financing contemplated at this time for the Project.

Please do not hesitate to contact me should you have any questions regarding the Bonds, or the information and requests included with this letter. Thank you in advance for your assistance.

Sincerely,

Emily W. Zackon

Enclosures: stated

cc: Harry Huntley, Executive Director
South Carolina Jobs-Economic Development Authority
(via email: hhuntley@scjeda.com)

Claudia Miller, Administrative Manager
South Carolina Jobs-Economic Development Authority
(via email: cmiller@scjeda.com)

November ____, 2020

(SEAL)

Respectfully submitted,

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

By: _____
Harry A. Huntley, Executive Director

**THE SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

**A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY
OF AN INDUCEMENT AGREEMENT BY AND BETWEEN SOUTH
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WHEREAS, the South Carolina Jobs-Economic Development Authority ("*Authority*"), acting by and through its Board of Directors, is authorized and empowered under and pursuant to the provisions of Title 41, Chapter 43 of the Code of Laws of South Carolina 1976, as amended ("*Act*"), to utilize any of its program funds to establish loan programs to encourage and assist the location of new business enterprises in the State of South Carolina ("*State*") and for other purposes described in Section 41-43-160 of the Act in order to promote and develop the business and economic welfare of the State and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State and act in conjunction with other persons and organizations, public or private, in the promotion and advancement of industrial, commercial, agricultural, and recreational development in this State; and

WHEREAS, in order to provide funds for any program authorized by the Act, the Authority is further authorized by Section 41-43-110 of the Act to issue limited obligations, the principal and interest of which are payable by the Authority solely from a revenue producing source and secured by a pledge of said revenues; and

WHEREAS, Whitehall Senior Living, LLC, and one or more of its related or affiliated entities (collectively, "*Borrower*"), has applied to the Authority to issue not to exceed \$20,000,000 of its Economic Development Revenue Bonds ("*Bonds*") in one or more series, taxable or tax-exempt, in order to (i) finance a portion of the costs of acquiring, designing, constructing, and equipping an assisted living and memory care facility ("*Facility*") in Lancaster County, South Carolina ("*County*"), all of which the Borrower represents is property eligible to be financed with economic development revenue bonds, (ii) fund certain accounts and funds related to the Facility and the Bonds, (iii) finance capitalized interest during the construction period of the Improvements, and (iv) provide for certain fees and expenses to be incurred in connection with the issuance of the Bonds (collectively, (i), (ii), (iii) and (iv) are the "*Project*"), and the Authority wishes to induce the Borrower to undertake the Project; and

WHEREAS, it is in the public interest, for public benefit and in furtherance of the public purposes of the Authority, that its Board of Directors provide preliminary approval of the issuance of revenue bonds for the aforesaid purposes; and

WHEREAS, it is deemed advisable by the Authority to file with the South Carolina Coordinating Council for Economic Development ("*Coordinating Council*"), in compliance with Section 41-43-110 of the Act, a petition (defined below) of the Authority requesting approval by the Coordinating Council for the issuance of the Bonds which are anticipated to be privately placed by Lument Securities, LLC with qualified institutional buyers and accredited investors; and

WHEREAS, it is deemed advisable by the Authority to file with the State Fiscal Accountability Authority ("*SFAA*"), in compliance with Section 1-11-530 of the Code of Laws of South Carolina 1976, as amended, a petition of the Authority requesting \$20,000,000 of the State ceiling be allocated by the SFAA to the Bonds and that such allocation be approved for a carry-forward election.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority ("*Board*") as follows:

Section 1. It is hereby found, determined, and declared as follows:

- (a) The Borrower is a responsible party and the Facility is located in the County.
- (b) The Borrower has demonstrated to the Authority that the assistance of the Authority by the issuance of its revenue bonds for the construction of the Improvements will result in (i) the creation of direct employment for approximately 38 people within 12 months and 48 people within 24 months which employees will be from the County and adjacent areas, and (ii) the promotion of other public benefits incident to the conduct of such activity not otherwise provided locally; and the number of jobs and other public benefit resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.
- (c) The principal amount of the Bonds bears a reasonable relationship to the amount of private funds committed to the Project.
- (d) The size and scope of the Project is such that a definite benefit to the economy of the State, and the County in particular, is reasonably expected to result therefrom.

Section 2. Subject to such approval by the Coordinating Council, the Board preliminarily approves the issuance and sale of the Bonds for the purpose of providing funds to be loaned to the Borrower to finance the Project and the related items as described in the recitals, above.

Section 3. The issuance and sale of the Bonds shall be upon such terms and conditions as may be mutually agreed upon by the Authority, the Borrower and the purchaser of the Bonds, and shall be subject to completion of proceedings for issuance, sale and delivery of the Bonds satisfactory to the Authority. The provisions, terms, and conditions of the agreements to be entered into in connection with the issuance of the Bonds by the Authority, and the form, details, rate or rates of interest, maturity, and redemption provisions, if any, of the Bonds, other details of any loan agreement relating to the Bonds, and findings required by the Act shall be prescribed by subsequent resolution of the Authority and shall be reasonable and proper (taking into account such factors as the type of program involved, the principal amount of the Bonds, and the number and type of jobs involved), and the public interest shall be adequately protected by the terms thereof.

Section 4. The Executive Director is hereby authorized and directed to execute the Inducement Agreement in the form attached hereto as Exhibit A (with such changes as shall have been approved by

counsel to the Authority), in the name and on behalf of the Authority and to affix the seal of the Authority and to attest the same, and the Executive Director of the Authority is hereby further authorized and directed to deliver said executed Inducement Agreement to the Borrower.

Section 5. It is the intention of the Authority that this resolution shall constitute an official action on the part of the Authority within the meaning of the applicable regulations of the Department of Treasury of the United States of America relating to the issuance of tax-exempt revenue bonds.

Section 6. The Bonds shall never constitute an indebtedness of the Authority or the State within the meaning of any state constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the Authority or the State or a charge against the general credit of the Authority or the State or the taxing powers of the State.

Section 7. There shall be and is hereby authorized and directed the submission on behalf of the Authority, of (i) a petition requesting approval by the Coordinating Council (pursuant to the provisions of Section 41-43-110 of the Act) of the issuance of the Bonds which are anticipated to be privately placed by Lument Securities, LLC with qualified institutional buyer and accredited investors, and (ii) a petition requesting the SFAA allocate \$20,000,000 of the State ceiling to the Bonds and that the SFAA make a carry-forward election with respect to such allocation.

Section 8. The Executive Director shall be and is hereby authorized and directed to execute the petitions in the name and on behalf of the Authority, and to affix the seal of the Authority to the petitions, upon the conditions set forth hereinabove, to submit an executed copy of this resolution to the Coordinating Council and the SFAA.

Section 9. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this resolution shall take effect and be in full force from and after its passage and approval.

[SIGNATURE PAGE FOLLOWS]
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Passed and approved: November 18, 2020.

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

Harry A. Huntley, Executive Director

INDUCEMENT AGREEMENT

THIS INDUCEMENT AGREEMENT made and entered into by and between **SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY**, a public body corporate and politic and an agency and duly constituted authority of the State of South Carolina ("*Authority*"), and **WHITEHALL SENIOR LIVING, LLC**, and one or more of its related and affiliated entities (collectively, "*Borrower*").

WITNESSETH

ARTICLE I RECITATION OF FACTS

As a means of setting forth the matters of mutual inducement which have resulted in the making and entering into of this Agreement, the following statements of fact are herewith recited:

Section 1.01. The Authority, acting by and through its Board of Directors, is authorized and empowered under and pursuant to the provisions of Title 41, Chapter 43 of the Code of Laws of South Carolina 1976, as amended ("*Act*"), to utilize any of its program funds to establish loan programs to encourage and assist the location of new business enterprises in the State of South Carolina ("*State*") and for other purposes described in Section 41-43-160 of the Act in order to promote and develop the business and economic welfare of the State and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State and act in conjunction with other persons and organizations, public or private, in the promotion and advancement of industrial, commercial, agricultural, and recreational development in this State.

Section 1.02. In order to provide funds for any program authorized by the Act, the Authority is further authorized by Section 41-43-110 of the Act to issue limited obligations, the principal and interest of which are payable by the Authority solely from a revenue producing source and secured by a pledge of said revenues.

Section 1.03. The Borrower has applied to the Authority to issue not to exceed \$20,000,000 of its Economic Development Revenue Bonds ("*Bonds*") in one or more series, taxable or tax-exempt, in order to (i) finance a portion of the costs of acquiring, designing, constructing, and equipping an assisted living and memory care facility ("*Facility*") in Lancaster County, South Carolina ("*County*"), all of which the Borrower represents is property eligible to be financed with economic development revenue bonds, (ii) fund certain accounts and funds related to the Facility and the Bonds, (iii) finance capitalized interest during the construction period of the Improvements, and (iv) provide for certain fees and expenses to be incurred in connection with the issuance of the Bonds (collectively, (i), (ii), (iii) and (iv) are the "*Project*"), and the Authority wishes to induce the Borrower to undertake the Project.

Section 1.04. (a) The Borrower is a responsible party and the Facility is located in the County.

(b) The Borrower has demonstrated to the Authority that the assistance of the Authority by the issuance of its revenue bonds for 38 people within 12 months and 48 people within 24 months, which employees will be from the County and adjacent areas, and (ii) the promotion of other public benefits incident to the conduct of such activity not otherwise provided locally; and the number of jobs and other public benefit resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

(c) The principal amount of the Bonds bears a reasonable relationship to the amount of private funds committed to the Project.

(d) The size and scope of the Project is such that a definite benefit to the economy of the State, and the County in particular, is reasonably expected to result therefrom.

Section 1.05. The Authority has given due consideration to all the proposals and requests of the Borrower and has agreed to endeavor to effect the issuance of the Bonds at the time and on the terms and conditions hereafter set forth.

ARTICLE II UNDERTAKING ON THE PART OF THE AUTHORITY

The Authority agrees as follows:

Section 2.01. The Authority will, subject to such approval by the South Carolina Coordinating Council for Economic Development ("*Coordinating Council*"), and subject to the limitations set forth herein, authorize the issuance of the Bonds, at such time as the Borrower may request the Authority to do so.

Section 2.02. The Authority will permit the Borrower to arrange for the sale of the Bonds to defray certain costs of the Project as aforesaid, and if successful marketing arrangements can be made, it will adopt such proceedings and enter into such agreements as are necessary for the issuance and securing of the Bonds.

Section 2.03. The proceeds of any sale of the Bonds may be applied to the payment of the costs of the Project as determined under the Act, including, without limitation, the expenses incurred in connection with the issuance and sale of the Bonds, the design, acquisition, construction and equipping of the Improvements, including land, buildings, equipment, and other items permitted by the Act, the repayment of any funds, advances or loans incurred by the Borrower for such purposes, the creation of a debt service reserve fund, and the provision of funds for capitalized interest.

Section 2.04. Prior to issuing the Bonds, the Authority may enter into a loan agreement with the Borrower and a security agreement with the trustee (to be requested by the Borrower and approved by the Authority and the State Treasurer) or with the purchasers of the Bonds, pursuant to which the Bonds will be secured and issued. Such documents shall be substantially in the form used in connection with the issuance of other South Carolina revenue bonds and shall constitute a lien on the revenues derived from the Borrower with respect to the Project to secure the payment of the Bonds. Provisions, terms and conditions of the agreements to be entered into in connection with the issuance of the Bonds by the Authority, and the form, details, rate or rates of interest, maturity and redemption provisions, if any, of the Bonds, and other details of any loan agreement relating to the Bonds, shall be prescribed by subsequent resolution of the Authority and shall be reasonable and proper, taking into account such facts as type of program involved, the principal amount of the Bonds and the number and type of jobs involved, and the public interest shall be adequately protected by the terms thereof.

Section 2.05. The Authority will perform such other acts and adopt such further proceedings as may be required faithfully to implement its undertaking and to consummate the proposed financing.

Section 2.06. The undertakings of the Authority hereunder are contingent upon the Authority continuing to evaluate the Project as desirable and beneficial to the public interest after considering all additional circumstances of which the Authority may hereafter become aware and upon the Borrower providing the Authority with such further evidence as may be satisfactory to the Authority as to compliance with all applicable laws, statutes and regulations.

ARTICLE III UNDERTAKINGS ON THE PART OF THE BORROWER

Section 3.01. The Borrower agrees that the Authority will have no obligation to find a purchaser of the Bonds and acknowledges that the Authority's approval of this Agreement is preliminary and is conditioned upon the Authority continuing to evaluate the Project as desirable and beneficial to the public interest after considering all additional circumstances of which the Authority may hereafter become aware.

Section 3.02. The Borrower further agrees, if the issuance of the Bonds proceeds as contemplated, as follows:

- (a) to acquire the Project;
- (b) to enter into a loan agreement with the Authority, under the terms of which the Borrower will obligate itself to pay to the Authority sums sufficient to pay the principal of and interest and premium, if any, on the Bonds, as and when the same become due and payable;
- (c) to hold the Authority harmless from all pecuniary liability and to reimburse it for all expenses to which it might be put in the fulfillment of its obligations under this Agreement;
- (d) to perform such further acts and adopt such further proceedings as may be required faithfully to implement its undertakings and to consummate the proposed financing; and
- (e) to covenant and agree in the loan agreement referred to above to install in the buildings which are to become a part of the Project all necessary equipment and furnishings and initially to operate the Project in the manner described in Section 1.03 hereof.

ARTICLE IV GENERAL PROVISIONS

Section 4.01. All commitments of the Authority under Article II hereof are subject to all of the provisions of the Act and regulations of the Authority pursuant thereto and the condition that nothing contained in this Agreement shall constitute nor give rise to a pecuniary liability of the Authority or a charge against its general credit.

Section 4.02. The parties hereto agree that the Borrower may proceed with the Project, including the acquisition of membership interests, real property, or leasehold interests therein, the construction of a building or buildings and additions to a building or buildings, and the acquisition and installation of the equipment and furnishings, prior to the issuance of the Bonds.

Section 4.03. All commitments of the Authority and the Borrower hereunder are subject to the condition that the Authority and the Borrower do agree on mutually acceptable terms and conditions of all documents, the execution and delivery of which are contemplated by the provisions hereof.

Section 4.04. The parties understand that the Borrower or the Authority may choose not to finance the Project as herein provided, in which event this Agreement shall become void.

Section 4.05. It is the intention of the parties hereto that this Agreement shall constitute an official action on the part of the Authority within the meaning of the applicable regulations of the Department of Treasury of the United States of America relating to the issuance of tax-exempt revenue bonds.

IN WITNESS WHEREOF, the parties hereto, each after due authorization, have executed this Agreement on the respective dates indicated below.

[SIGNATURE PAGE FOLLOWS]
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**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

(SEAL)

By: _____
Harry A. Huntley, Executive Director

Dated: November ____, 2020

WHITEHALL SENOR LIVING, LLC

By: _____
Name: _____
Title: Authorized Representative

Dated: November ____, 2020

INDUCEMENT AGREEMENT BY AND BETWEEN SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY AND LANCASTER AL, LLC
[SIGNATURE PAGE]

provided locally; and the number of jobs and other public benefit resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

(c) The size and scope of the Project is such that a definite benefit to the economy of the State, and the County in particular, is reasonably expected to result therefrom.

(d) The principal amount of the Bonds bears a reasonable relationship to the amount of funds of the Borrower committed to the Project.

6. Prior to issuance of the Bonds, the Authority will, as part of its proceedings:

(a) Hold a public hearing, following proper notice, which allows the public an opportunity to speak on the Bonds and the proposed Project;

(b) Make findings that the terms of the agreements to be entered into in connection with the Project are reasonable and proper as to the adequacy of protection for the public interest provided by such terms;

(c) Negotiate the terms of such agreements to the extent necessary to conclude that neither the financing of the Project, the Bonds proposed to be issued by the Authority to defray the cost of the Project, nor any documents or agreements entered into by the Authority in connection therewith will constitute or give rise to a pecuniary liability of the Authority or the State or a charge against the general credit or taxing power of either, and only program funds (as defined in the Act) will be made available to finance the Project;

(d) Undertake such review as is necessary to conclude that the Borrower is an organization with established credit and is a responsible party; and

(e) Undertake such review as is necessary to conclude that the issuance of the Bonds by the Authority in the final principal amount requested by the Borrower will be required to defray the cost of financing the Project, and such principal amount bears a reasonable relationship to the amount of private funds also committed to the Project.

Upon the basis of the foregoing, the Authority respectfully prays that the Coordinating Council (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such review as it deems advisable, and (iii) approve the issuance of the Bonds by the Authority through a limited offering, or as the Authority otherwise deems most advantageous, pursuant to the Act to defray the costs of financing the Project (including changes in any details of said financing as finally consummated which do not materially affect the undertaking of the Authority).

November ____, 2020

(SEAL)

Respectfully submitted,

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

By: _____
Harry A. Huntley, Executive Director

BOND TRANSMITTAL FORM

TO: Delbert H. Singleton, Jr., Authority Secretary
State Fiscal Accountability Authority
600 Wade Hampton Building (29201)
P.O. Box 12444
Columbia, SC 29211

DATE: 10/23/2020

Submitted for SFAA Meeting on:
12/17/2020

FROM: Parker Poe Adams & Bernstein LLP

1221 Main Street, Suite 1100
Columbia, SC 29201
803-255-8000

RE: *South Carolina Jobs Economic Development Authority Solid Waste Disposal Revenue Bonds
(Mainstream Pine Products, LLC) Series 2021*

Project Issue Date: 4/1/2021

Project Name: Mainstream Pine Products Projects

Project Description: Recycling facility that recycles and extracts residual materials generated at pulp and paper mills

Employment as a result of the project: 15-30

	YES	NO	AMOUNT
Ceiling Allocation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$ 95,000,000
Refunding Involved	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.
Project Approved Previously	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.

Documents enclosed (executed original and two copies of each):

(ALL documents required for state law approval; A and C only for ceiling allocation only.)

- A. ☒ Petition
- B. ☐ Resolution or Ordinance
- C. ☒ Inducement Resolution or comparable preliminary approval
- D. ☐ Department of Health and Environmental Control Certificate *if required*
- E. ☐ State Fiscal Accountability Authority Resolution and Public Notice *(original)*
Plus _____ copies for certification and return to bond counsel
- F. ☐ Draft bond counsel opinion letter
- G. ☐ Processing Fee

Amount: \$Click or tap here to enter text.

Check No: Click or tap here to enter text.

Payor: Click or tap here to enter text.

- H. ☐ No Private Participant will be known at the time the Authority considers this agenda item.
- J. ☒ This agenda item is accompanied by the applicable Private Party Disclosure form for each private participant.

F.

Bond Counsel: Parker Poe Adams & Bernstein LLP
Typed Name of Bond Counsel

By: s/ Ray E. Jones
Signature

SFAA 06/19/2020



Ray E. Jones

Partner

Telephone: 803.253.8917

Direct Fax: 803.255.8017

rayjones@parkerpoe.com

Atlanta, GA
Charleston, SC
Charlotte, NC
Columbia, SC
Greenville, SC
Raleigh, NC
Spartanburg, SC
Washington, DC

October 23, 2020

Uploaded to Liquid Files

Delbert H. Singleton, Jr.
Assistant Executive Director and Authority Secretary
SC State Fiscal Accountability Authority
1200 Senate Street, Suite 600
Columbia, South Carolina 29201

***Re: Not Exceeding \$95,000,000
South Carolina Jobs-Economic Development Authority
Economic Development Revenue Bonds
(Mainstream Pine Products Project) Series 2021***

Dear Delbert:

We are hereby submitting an item for consideration at the December 17, 2020 meeting of the State Fiscal Accountability Authority ("SFAA"). Mainstream Pine Products, LLC ("Mainstream"), together with the South Carolina Jobs-Economic Development Authority ("JEDA") pursuant to Article 3, Chapter 11 of Title 1 of the South Carolina Code of Laws, 1976, as amended ("Act"), is seeking a tentative allocation of the State ceiling in the amount of not exceeding \$95,000,000 in connection with the above-referenced bonds ("Bonds").

The proceeds of the Bonds will be used by Mainstream to acquire, design, construct, and equip a recycling facility that recycles residual materials generated at pulp and paper mills and related facilities ("Facility") located in Berkeley County, South Carolina. The Facility is expected to result in a positive economic, job creation, and infrastructure impact to the State, as more particularly detailed in Attachment A to the transmittal form.

Please find enclosed with this letter the following documents:

1. A completed Transmittal Form and Attachment A;
2. JEDA's Petition to the SFAA;
3. JEDA's Inducement Resolution and Inducement Agreement;
4. JEDA's Petition to the South Carolina Coordinating Council for Economic Development ("CCED");
5. CCED's Resolution approving the Bonds; and

6. Private Participant Disclosures (including an organizational chart for Mainstream and biographies of the principals).

A New Debt Information Form with respect to the Bonds will be submitted to the Office of the State Treasurer under separate cover, and we will provide you with a copy.

Because the closing of the transaction is expected to occur on or around April 1, 2021, Mainstream requests, together with JEDA, that the SFAA approve the allocation for a carry-forward election. The Project is an exempt facility (i.e. a solid waste recycling facility) under Section 142 of the Internal Revenue Code, and therefore the allocation is eligible for a carry-forward election..

Thank you for your assistance. Please do not hesitate to contact me with any questions or if you should need additional information.

Sincerely,



Ray E. Jones

Enclosures: stated

cc: Harry Huntley, Executive Director
South Carolina Jobs-Economic Development Authority
(via email: hhuntley@scjeda.com)

Claudia Miller, Administrative Manager
South Carolina Jobs-Economic Development Authority
(via email: cmiller@scjeda.com)

D. Young



Ray E. Jones

Partner

Telephone: 803.253.8917

Direct Fax: 803.255.8017

rayjones@parkerpoe.com

Atlanta, GA
Charleston, SC
Charlotte, NC
Columbia, SC
Greenville, SC
Raleigh, NC
Spartanburg, SC
Washington, DC

October 23, 2020

Uploaded to Liquid Files

Delbert H. Singleton, Jr.

Assistant Executive Director and Authority Secretary

SC State Fiscal Accountability Authority

1200 Senate Street, Suite 600

Columbia, South Carolina 29201

Re: Not Exceeding \$95,000,000

South Carolina Jobs-Economic Development Authority

Economic Development Revenue Bonds

(Mainstream Pine Products Project) Series 2021

Dear Delbert:

We are hereby submitting an item for consideration at the December 8, 2020 meeting of the State Fiscal Accountability Authority ("SFAA"). Mainstream Pine Products, LLC ("Mainstream"), together with the South Carolina Jobs-Economic Development Authority ("JEDA") pursuant to Article 3, Chapter 11 of Title 1 of the South Carolina Code of Laws, 1976, as amended ("Act"), is seeking a tentative allocation of the State ceiling in the amount of not exceeding \$95,000,000 in connection with the above-referenced bonds ("Bonds").

The proceeds of the Bonds will be used by Mainstream to acquire, design, construct, and equip a recycling facility that recycles residual materials generated at pulp and paper mills and related facilities ("Facility") located in Berkeley County, South Carolina. The Facility is expected to result in a positive economic, job creation, and infrastructure impact to the State, as more particularly detailed in Attachment A to the transmittal form.

Please find enclosed with this letter the following documents:

1. A completed Transmittal Form;
2. JEDA's Petition to the SFAA;
3. JEDA's Inducement Resolution and Inducement Agreement;
4. JEDA's Petition to the South Carolina Coordinating Council for Economic Development ("CCED");
5. CCED's Resolution approving the Bonds; and

Delbert H. Singleton, Jr.
SC State Fiscal Accountability
October 23, 2020
Page 2

6. Private Participant Disclosures (including an organizational chart for Mainstream and biographies of the principals).

A New Debt Information Form with respect to the Bonds will be submitted to the Office of the State Treasurer under separate cover, and we will provide you with a copy.

Because the closing of the transaction is expected to occur on or around April 1, 2021, Mainstream requests, together with JEDA, that the SFAA approve the allocation for a carry-forward election. The Project is an exempt facility (i.e. a solid waste recycling facility) under Section 142 of the Internal Revenue Code, and therefore the allocation is eligible for a carry-forward election..

Thank you for your assistance. Please do not hesitate to contact me with any questions or if you should need additional information.

Sincerely,



Ray E. Jones

Enclosures: stated

cc: Harry Huntley, Executive Director
South Carolina Jobs-Economic Development Authority
(via email: hhuntley@scjeda.com)

Claudia Miller, Administrative Manager
South Carolina Jobs-Economic Development Authority
(via email: cmiller@scjeda.com)

BOND TRANSMITTAL FORM

TO: Delbert H. Singleton, Jr., Authority Secretary
State Fiscal Accountability Authority
600 Wade Hampton Building (29201)
P.O. Box 12444
Columbia, SC 29211

DATE: 10/23/2020

Submitted for SFAA Meeting on:
12/8/2020

FROM: Parker Poe Adams & Bernstein LLP

1221 Main Street, Suite 1100
Columbia, SC 29201
803-255-8000

RE: *South Carolina Jobs Economic Development Authority Solid Waste Disposal Revenue Bonds (Mainstream Pine Products, LLC) Series 2021*

Project Issue Date: 4/1/2021

Project Name: Mainstream Pine Products Projects

Project Description: Recycling facility that recycles and extracts residual materials generated at pulp and paper mills

Employment as a result of the project: 15-30

	YES	NO	AMOUNT
Ceiling Allocation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$ 95,000,000
Refunding Involved	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.
Project Approved Previously	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$ Click or tap here to enter text.

Documents enclosed (executed original and two copies of each):

(ALL documents required for state law approval; A and C only for ceiling allocation only.)

- A. ☒ Petition
- B. ☐ Resolution or Ordinance
- C. ☒ Inducement Resolution or comparable preliminary approval
- D. ☐ Department of Health and Environmental Control Certificate *if required*
- E. ☐ State Fiscal Accountability Authority Resolution and Public Notice *(original)*
Plus _____ copies for certification and return to bond counsel
- F. ☐ Draft bond counsel opinion letter
- G. ☐ Processing Fee

Amount: \$Click or tap here to enter text. *Check No:* Click or tap here to enter text.

Payor: Click or tap here to enter text.

- H. ☐ No Private Participant will be known at the time the Authority considers this agenda item.
- J. ☒ This agenda item is accompanied by the applicable Private Party Disclosure form for each private participant.

Bond Counsel: Parker Poe Adams & Bernstein LLP
Typed Name of Bond Counsel

By: _____
Signature

SFAA 06/19/2020

STATE OF SOUTH CAROLINA)
)
RICHLAND COUNTY)
)
_____)
TO THE STATE FISCAL)
)
ACCOUNTABILITY AUTHORITY)
)
OF SOUTH CAROLINA)

**PETITION OF THE
SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

This Petition of the South Carolina Jobs-Economic Development Authority ("**Authority**"), pursuant to Title 1, Chapter 11 of the Code of Laws of South Carolina 1976, as amended ("**Act**"), and specifically Section 1-11-530 thereof, respectfully shows:

1. The Act, among other things, authorizes the State Fiscal Accountability Authority ("**SFAA**") to allocate the State of South Carolina's ("**State**") ceiling on the issuance of private activity bonds in response to authorized requests from issuing authorities.

2. Each State ceiling allocation made by the SFAA (unless eligible and approved for carry-forward election) is valid only for the calendar year in which the State ceiling allocation is made.

3. The Authority has agreed to assist Mainstream Pine Products, LLC and one or more of its related or affiliated entities by issuing one or more series of its Economic Development Revenue Bonds ("**Bonds**"), in an amount not to exceed \$95,000,000, taxable or tax exempt, to (i) finance a portion of the costs of acquisition, designing, constructing, and equipping a recycling facility that recycles and extracts residual materials generated at pulp and paper mills and related facilities ("**Facility**") located in Berkeley County, South Carolina, all of which constitutes property eligible to be financed with economic development revenue bonds, (ii) fund certain accounts and funds related to the Facility and the Bonds, (iii) finance capitalized interest, and (iv) provide for certain fees and expenses to be incurred in connection with the issuance of the Bonds (collectively, (i), (ii), (iii) and (iv) are the "**Project**"). The South Carolina Coordinating Council for Economic Development approved the Bonds at its meeting on September 10, 2020, pursuant to Section 41-43-110 of the Code of Laws of South Carolina 1976, as amended.

4. The Facility is expected to be a solid waste disposal facility as described under Section 142 of the Internal Revenue Code ("**Code**").

5. The Bonds to be issued for the Project would require an allocation of not exceeding \$95,000,000 of the State ceiling. The Bonds constitute all of the private activity bond financing contemplated for the Project as of the date of this Petition.

6. The Borrower and the Authority believe the Bonds will be marketed to the public by the end of the calendar year based on information available as of the date of this Petition. However, because the issuance and sale of bonds is market-driven and the coronavirus pandemic has created volatile market conditions, it is possible that the issuance and sale of the Bonds may be delayed past the end of the calendar year. Therefore, the Authority desires the SFAA make a carry-forward election with respect to the Allocation so the Borrower and the Authority have the benefit of the Allocation past the end of the calendar year should the issuance and sale of the Bonds be delayed due to unforeseen market circumstances.

Upon the basis of the foregoing, the Authority respectfully prays that the SFAA (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such review as it deems advisable and (iii) approve a State ceiling allocation for the Bonds of \$95,000,000.

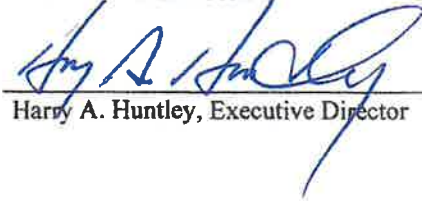
_____, 2020



Respectfully submitted,

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

By: _____


Harry A. Huntley, Executive Director

THE SOUTH CAROLINA
JOBS-ECONOMIC DEVELOPMENT AUTHORITY

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT BY AND BETWEEN SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY AND MAINSTREAM PINE PRODUCTS, LLC, WHEREBY UNDER CERTAIN CONDITIONS THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY WILL ISSUE NOT TO EXCEED \$95,000,000 OF ITS ECONOMIC DEVELOPMENT REVENUE BONDS IN ONE OR MORE SERIES, TAXABLE OR TAX-EXEMPT, PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, AND AUTHORIZING APPLICATION UPON CERTAIN CONDITIONS TO THE SOUTH CAROLINA COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT FOR APPROVAL OF THE ISSUANCE OF SUCH BONDS; AND OTHER RELATED MATTERS

WHEREAS, the South Carolina Jobs-Economic Development Authority ("*Authority*"), acting by and through its Board of Directors ("*Board*"), is authorized and empowered under and pursuant to the provisions of Title 41, Chapter 43 of the Code of Laws of South Carolina 1976, as amended ("*Act*"), to utilize any of its program funds to establish loan programs to encourage and assist the location of new business enterprises in the State of South Carolina ("*State*") and for other purposes described in Section 41-43-160 of the Act in order to promote and develop the business and economic welfare of the State and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State and act in conjunction with other persons and organizations, public or private, in the promotion and advancement of industrial, commercial, agricultural, and recreational development in this State; and

WHEREAS, in order to provide funds for any program authorized by the Act, the Authority is further authorized by Section 41-43-110 of the Act to issue limited obligations, the principal and interest of which are payable by the Authority solely from a revenue producing source and secured by a pledge of said revenues; and

WHEREAS, Mainstream Pine Products, LLC, a Delaware limited liability company and its related or affiliated entities (collectively, "*Borrower*"), has applied to the Authority to issue not to exceed \$95,000,000 of its Economic Development Revenue Bonds ("*Bonds*") in one or more series, taxable or tax-exempt, in order to (i) finance a portion of the costs of acquisition, designing, constructing, and equipping a recycling facility that recycles and extracts residual materials generated at pulp and paper mills ("*Facility*") in Berkeley County, South Carolina ("*County*"), all of which constitutes property eligible to be financed with economic development revenue bonds, (ii) fund certain accounts and funds related to the Facility and the Bonds, (iii) finance capitalized interest during the construction period of the Facility, and (iv) provide for certain fees and expenses to be incurred in connection with the issuance of the Bonds (collectively, (i), (ii), (iii) and (iv) are the "*Project*"), and the Authority wishes to induce the Borrower to undertake the Project; and

WHEREAS, it is in the public interest, for public benefit and in furtherance of the public purposes of the Authority, that its Board provide preliminary approval of the issuance of revenue bonds for the aforesaid purposes; and

WHEREAS, it is deemed advisable by the Authority to file with the South Carolina Coordinating Council for Economic Development ("**Coordinating Council**"), in compliance with Section 41-43-110 of the Act, a petition (described below) of the Authority requesting approval by the Coordinating Council for the issuance of the Bonds which are anticipated to be placed by Citigroup Global Markets in a public offering to qualified institutional buyers and/or accredited investors; and

WHEREAS, it is deemed advisable by the Authority to file with the State Fiscal Accountability Authority ("**SFAA**"), in compliance with Section 1-11-530 of the Code of Laws of South Carolina 1976, as amended, a petition of the Authority requesting not exceeding \$95,000,000 of the State ceiling be allocated by the SFAA to the Bonds and that such allocation be approved for a carry-forward election.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

Section 1. It is hereby found, determined, and declared as follows:

(a) The Borrower is a responsible party and the proposed Project is located in the County.

(b) The Borrower has demonstrated to the Authority that the assistance of the Authority by the issuance of its revenue bonds will result in (i) the creation of (A) indirect employment of approximately 10 people within 12 months and 15 people within 24 months, and (B) direct employment for 15-30 people within 24 months, which employees will be from the County and surrounding areas, and (ii) the promotion of other public benefits incident to the conduct of such activity not otherwise provided locally; and the number of jobs and other public benefit resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

(c) The principal amount of the Bonds bears a reasonable relationship to the amount of private funds committed to the Project.

(d) The size and scope of the Project is such that a definite benefit to the economy of the State, and the County in particular, is reasonably expected to result therefrom.

Section 2. Subject to such approval by the Coordinating Council, the Board preliminarily approves the issuance and sale of the Bonds for the purpose of providing funds to be loaned to the Borrower to finance the Project and the related items as described in the recitals, above.

Section 3. The issuance and sale of the Bonds shall be upon such terms and conditions as may be mutually agreed upon by the Authority, the Borrower and the purchasers of the Bonds, and shall be subject to completion of proceedings for issuance, sale and delivery of the Bonds satisfactory to the Authority. The provisions, terms, and conditions of the agreements to be entered into in connection with the issuance of the Bonds by the Authority, and the form, details, rate or rates of interest, maturity, and redemption provisions, if any, of the Bonds, other details of any loan agreement relating to the Bonds, and findings required by the Act shall be prescribed by subsequent resolution of the Authority and shall be reasonable and proper (taking into account such factors as the type of program involved, the principal amount of the Bonds, and the number and type of jobs involved), and the public interest shall be adequately protected by the terms thereof.

Section 4. The Executive Director is hereby authorized and directed to execute the Inducement Agreement in the form attached hereto as Exhibit A (with such changes as shall have been approved by counsel to the Authority), in the name and on behalf of the Authority and to affix the seal of the Authority and to attest the same, and the Executive Director of the Authority is hereby further authorized and directed to deliver said executed Inducement Agreement to the Borrower.

Section 5. It is the intention of the Authority that this resolution shall constitute an official action on the part of the Authority within the meaning of the applicable regulations of the Department of Treasury of the United States of America relating to the issuance of tax-exempt revenue bonds.

Section 6. The Bonds shall never constitute an indebtedness of the Authority or the State within the meaning of any state constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the Authority or the State or a charge against the general credit of the Authority or the State or the taxing powers of the State.

Section 7. There shall be and is hereby authorized and directed the submission on behalf of the Authority, of (i) a petition requesting approval by the Coordinating Council (pursuant to the provisions of Section 41-43-110 of the Act) of the issuance of the Bonds which are anticipated to be placed by Citigroup Global Markets in a public offering to qualified institutional buyers and/or accredited investors, and (ii) a petition requesting the SFAA allocate not exceeding \$95,000,000 of the State ceiling to the Bonds and that the SFAA make a carry-forward election with respect to such allocation.

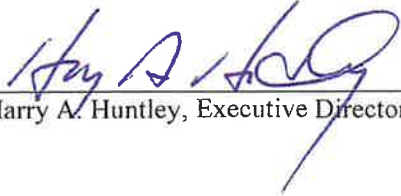
Section 8. The Executive Director shall be and is hereby authorized and directed to execute the petitions in the name and on behalf of the Authority, and to affix the seal of the Authority to the petitions, upon the conditions set forth hereinabove, to submit an executed copy of this resolution to the Coordinating Council and the SFAA.

Section 9. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this resolution shall take effect and be in full force from and after its passage and approval.

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Passed and approved: August 19, 2020.

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**



Harry A. Huntley, Executive Director

INDUCEMENT AGREEMENT

THIS INDUCEMENT AGREEMENT made and entered into by and between **SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY**, a public body corporate and politic and an agency and duly constituted authority of the State of South Carolina ("**Authority**"), and **MAINSTREAM PINE PRODUCTS, LLC**, a Delaware limited liability company, and its related entities (collectively, "**Borrower**").

WITNESSETH

ARTICLE I RECITATION OF FACTS

As a means of setting forth the matters of mutual inducement which have resulted in the making and entering into of this Agreement, the following statements of fact are herewith recited:

Section 1.01. The Authority, acting by and through its Board of Directors, is authorized and empowered under and pursuant to the provisions of Title 41, Chapter 43 of the Code of Laws of South Carolina 1976, as amended ("**Act**"), to utilize any of its program funds to establish loan programs to encourage and assist the location of new business enterprises in the State of South Carolina ("**State**") and for other purposes described in Section 41-43-160 of the Act in order to promote and develop the business and economic welfare of the State and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State and act in conjunction with other persons and organizations, public or private, in the promotion and advancement of industrial, commercial, agricultural, and recreational development in this State.

Section 1.02. In order to provide funds for any program authorized by the Act, the Authority is further authorized by Section 41-43-110 of the Act to issue limited obligations, the principal and interest of which are payable by the Authority solely from a revenue producing source and secured by a pledge of said revenues.

Section 1.03. The Borrower has applied to the Authority to issue not to exceed \$95,000,000 of its Economic Development Revenue Bonds ("**Bonds**") in one or more series, taxable or tax-exempt, in order to (i) finance a portion of the costs of acquisition, designing, constructing, and equipping a recycling facility that recycles and extracts residual materials generated at pulp and paper mills ("**Facility**") in Berkeley County, South Carolina ("**County**"), all of which constitutes property eligible to be financed with economic development revenue bonds, (ii) fund certain accounts and funds related to the Facility and the Bonds, (iii) finance capitalized interest during the construction period of the Facility, and (iv) provide for certain fees and expenses to be incurred in connection with the issuance of the Bonds (collectively, (i), (ii), (iii) and (iv) are the "**Project**"), and the Authority wishes to induce the Borrower to undertake the Project.

Section 1.04. (a) The Borrower is a responsible party and the Project is located in the County.

(b) The Borrower has demonstrated to the Authority that the assistance of the Authority by the issuance of its revenue bonds will result in (i) the creation of (A) indirect employment of approximately 10 people within 12 months and 15 people within 24 months, and (B) direct employment for 15-30 people within 24 months, which employees will be from the County and surrounding areas, and (ii) the promotion of other public benefits incident to the conduct of such activity not otherwise provided locally; and the number of jobs and other public benefit resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

(c) The principal amount of the Bonds bears a reasonable relationship to the amount of private funds committed to the Project.

(d) The size and scope of the Project is such that a definite benefit to the economy of the State, and the County in particular, is reasonably expected to result therefrom.

Section 1.05. The Authority has given due consideration to all the proposals and requests of the Borrower and has agreed to endeavor to effect the issuance of the Bonds at the time and on the terms and conditions hereafter set forth.

ARTICLE II UNDERTAKING ON THE PART OF THE AUTHORITY

The Authority agrees as follows:

Section 2.01. The Authority will, subject to such approval by the South Carolina Coordinating Council for Economic Development ("*Coordinating Council*"), and subject to the limitations set forth herein, authorize the issuance of the Bonds, at such time as the Borrower may request the Authority to do so.

Section 2.02. The Authority will permit the Borrower to arrange for the sale of the Bonds to defray certain costs of the Project as aforesaid, and if successful marketing arrangements can be made, it will adopt such proceedings and enter into such agreements as are necessary for the issuance and securing of the Bonds.

Section 2.03. The proceeds of any sale of the Bonds may be applied to the payment of the costs of the Project as determined under the Act, including, without limitation, the expenses incurred in connection with the issuance and sale of the Bonds, the acquisition of the Project, including land, buildings, equipment, and other items permitted by the Act, the repayment of any funds, advances or loans incurred by the Borrower for such purposes, the creation of a debt service reserve fund, and the provision of funds for capitalized interest.

Section 2.04. Prior to issuing the Bonds, the Authority may enter into a loan agreement with the Borrower and a security agreement with the trustee (to be requested by the Borrower and approved by the Authority and the State Treasurer) or with the purchasers of the Bonds, pursuant to which the Bonds will be secured and issued. Such documents shall be substantially in the form used in connection with the issuance of other South Carolina revenue bonds and shall constitute a lien on the revenues derived from the Borrower with respect to the Project to secure the payment of the Bonds. Provisions, terms and conditions of the agreements to be entered into in connection with the issuance of the Bonds by the Authority, and the form, details, rate or rates of interest, maturity and redemption provisions, if any, of the Bonds, and other details of any loan agreement relating to the Bonds, shall be prescribed by subsequent resolution of the Authority and shall be reasonable and proper, taking into account such facts as type of program involved, the principal amount of the Bonds and the number and type of jobs involved, and the public interest shall be adequately protected by the terms thereof.

Section 2.05. The Authority will perform such other acts and adopt such further proceedings as may be required faithfully to implement its undertaking and to consummate the proposed financing.

Section 2.06. The undertakings of the Authority hereunder are contingent upon the Authority continuing to evaluate the Project as desirable and beneficial to the public interest after considering all

additional circumstances of which the Authority may hereafter become aware and upon the Borrower providing the Authority with such further evidence as may be satisfactory to the Authority as to compliance with all applicable laws, statutes and regulations.

ARTICLE III UNDERTAKINGS ON THE PART OF THE BORROWER

Section 3.01. The Borrower agrees that the Authority will have no obligation to find a purchaser of the Bonds and acknowledges that the Authority's approval of this Agreement is preliminary and is conditioned upon the Authority continuing to evaluate the Project as desirable and beneficial to the public interest after considering all additional circumstances of which the Authority may hereafter become aware.

Section 3.02. The Borrower further agrees, if the issuance of the Bonds proceeds as contemplated, as follows:

- (a) to acquire the Project;
- (b) to enter into a loan agreement with the Authority, under the terms of which the Borrower will obligate itself to pay to the Authority sums sufficient to pay the principal of and interest and premium, if any, on the Bonds, as and when the same become due and payable;
- (c) to hold the Authority harmless from all pecuniary liability and to reimburse it for all expenses to which it might be put in the fulfillment of its obligations under this Agreement;
- (d) to perform such further acts and adopt such further proceedings as may be required faithfully to implement its undertakings and to consummate the proposed financing; and
- (e) to covenant and agree in the loan agreement referred to above to install in the buildings which are to become a part of the Project all necessary equipment and furnishings and initially to operate the Project in the manner described in Section 1.03 hereof.

ARTICLE IV GENERAL PROVISIONS

Section 4.01. All commitments of the Authority under Article II hereof are subject to all of the provisions of the Act and regulations of the Authority pursuant thereto and the condition that nothing contained in this Agreement shall constitute nor give rise to a pecuniary liability of the Authority or a charge against its general credit.

Section 4.02. The parties hereto agree that the Borrower may proceed with the Project, including the acquisition of real property, or leasehold interests therein, the construction of a building or buildings and additions to a building or buildings, and the acquisition and installation of the equipment and furnishings, prior to the issuance of the Bonds.

Section 4.03. All commitments of the Authority and the Borrower hereunder are subject to the condition that the Authority and the Borrower do agree on mutually acceptable terms and conditions of all documents, the execution and delivery of which are contemplated by the provisions hereof.

Section 4.04. The parties understand that the Borrower or the Authority may choose not to finance the Project as herein provided, in which event this Agreement shall become void.

Section 4.05. It is the intention of the parties hereto that this Agreement shall constitute an official action on the part of the Authority within the meaning of the applicable regulations of the Department of Treasury of the United States of America relating to the issuance of tax-exempt revenue bonds.

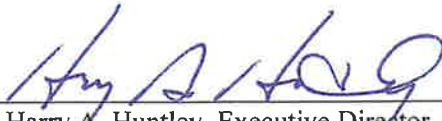
IN WITNESS WHEREOF, the parties hereto, each after due authorization, have executed this Agreement on the respective dates indicated below.

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Dated: August 19, 2020

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**

By: 
Harry A. Huntley, Executive Director

MAINSTREAM PINE PRODUCTS, LLC

By: _____

Name: _____

Title: _____

Dated: August 19, 2020

INDUCEMENT AGREEMENT BY AND BETWEEN SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY AND MAINSTREAM PINE PRODUCTS, LLC
[SIGNATURE PAGE]

STATE OF SOUTH CAROLINA)
)
 RICHLAND COUNTY)
 _____)
 TO THE SOUTH CAROLINA)
)
 COORDINATING COUNCIL)
)
 FOR ECONOMIC DEVELOPMENT)

PETITION OF THE
 SOUTH CAROLINA JOBS-ECONOMIC
 DEVELOPMENT AUTHORITY

This Petition of the South Carolina Jobs-Economic Development Authority ("**Authority**"), pursuant to Title 41, Chapter 43 of the Code of Laws of South Carolina 1976, as amended ("**Act**"), and specifically Section 41-43-110 thereof, respectfully shows:

1. The Act, among other things, empowers the Authority: to utilize any of its program funds to establish loan programs to encourage and assist the location of new business enterprises in the State of South Carolina ("**State**") and for other purposes described in the Act in order to promote and develop the business and economic welfare of the State and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State; (ii) act in conjunction with other persons and organizations, public or private, in the promotion and advancement of industrial, commercial, agricultural, and recreational development in the State; and (iii) subject to the approval of the Coordinating Council of the issuance of its bonds pursuant to Section 41-43-110 of the Act, to issue revenue bonds in order to provide funds for any program authorized by the Act, and to secure the payment of such bonds, all as provided in the Act.

2. The Authority has agreed to assist Mainstream Pine Products, LLC ("**Borrower**") by issuing one or more series of its Economic Development Revenue Bonds ("**Bonds**") to (i) finance a portion of the costs of acquisition, designing, constructing, and equipping a recycling facility that recycles and extracts residual materials generated at pulp and paper mills ("**Facility**") in Berkeley County, South Carolina ("**County**"), all of which constitutes property eligible to be financed with economic development revenue bonds, (ii) fund certain accounts and funds related to the Facility and the Bonds, (iii) finance capitalized interest, and (iv) provide for certain fees and expenses to be incurred in connection with the issuance of the Bonds (collectively, (i), (ii), (iii) and (iv) are the "**Project**").

3. The Authority has been advised by the Borrower that the estimated cost of the Project and related costs will be approximately \$116,000,000 and the Borrower has requested the Authority to execute and deliver the Bonds in one or more series, taxable or tax-exempt, in the aggregate principal amount of not exceeding \$95,000,000 to defray such costs.

4. The Bonds are anticipated to be publicly placed with institutional buyers and/or accredited investors, which arrangement the Authority has determined to be most advantageous.

5. The Authority hereby finds that:

(a) The Borrower is a responsible party and the Project is located in the County.

(b) It is anticipated that the Project will benefit the general public welfare of the State, and the County in particular, by providing for (i) the creation of (A) indirect employment of approximately 10 people within 12 months and 15 people within 24 months, and (B) direct employment for 15-30 people within 24 months, which employees will be from the County and surrounding areas, and (ii) the promotion of other public benefits incident to the conduct of such activity not otherwise provided locally; and the number of jobs and other public benefit resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

(c) The size and scope of the Project is such that a definite benefit to the economy of the State, and the County in particular, is reasonably expected to result therefrom.

(d) The principal amount of the Bonds bears a reasonable relationship to the amount of funds of the Borrower committed to the Project.

6. Prior to issuance of the Bonds, the Authority will, as part of its proceedings:

(a) Hold a public hearing in connection with the Project and provide notice of the public hearing to the local governing body of the County;

(b) Make findings that the terms of the agreements to be entered into in connection with the Project are reasonable and proper as to the adequacy of protection for the public interest provided by such terms;

(c) Negotiate the terms of such agreements to the extent necessary to conclude that neither the financing of the Project, the Bonds proposed to be issued by the Authority to defray the cost of the Project, nor any documents or agreements entered into by the Authority in connection therewith will constitute or give rise to a pecuniary liability of the Authority or the State or a charge against the general credit or taxing power of either, and only program funds (as defined in the Act) will be made available to finance the Project;

(d) Undertake such review as is necessary to conclude that the Borrower is an organization with established credit and is a responsible party; and

(e) Undertake such review as is necessary to conclude that the issuance of the Bonds by the Authority in the final principal amount requested by the Borrower will be required to defray the cost of financing the Project, and such principal amount bears a reasonable relationship to the amount of private funds also committed to the Project.

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Upon the basis of the foregoing, the Authority respectfully prays that the Coordinating Council (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such review as it deems advisable, and (iii) approve the issuance of the Bonds by the Authority through a public offering pursuant to the Act to defray the costs of financing the Project (including changes in any details of said financing as finally consummated which do not materially affect the undertaking of the Authority).

August 19, 2020

Respectfully submitted,

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**



By: _____

Harry A. Huntley, Executive Director

A RESOLUTION OF THE SOUTH CAROLINA COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY OF NOT EXCEEDING \$95,000,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS IN ONE OR MORE SERIES, TAXABLE OR TAX-EXEMPT, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 41, CHAPTER 43 (1976), AS AMENDED

WHEREAS, the South Carolina Jobs-Economic Development Authority ("**Authority**") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended ("**Act**"), petitioned the South Carolina Coordinating Council for Economic Development ("**Coordinating Council**") for approval of the issuance by the Authority of its Economic Development Revenue Bonds in the aggregate principal amount of not exceeding \$95,000,000 ("**Bonds**") through a public offering, as the Authority may determine to be most advantageous, in order to make a loan to Mainstream Pine Products, LLC, a Delaware limited liability company ("**Borrower**"), for the purposes described in the Authority's petition; and

WHEREAS, the Authority represents to the Coordinating Council that the Bonds will be sold in a manner acceptable to the Authority.

NOW, THEREFORE, BE IT RESOLVED, by the Coordinating Council as follows:

Section 1. It is hereby found, determined and declared by the Coordinating Council that: the Petition filed by the Authority contains all matters required by law and the rules of the Coordinating Council to be set forth therein, and that in consequence thereof the jurisdiction of the Coordinating Council has been properly invoked under and pursuant to Section 41-43-110 of the Act.

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the Bonds is hereby in all respects approved.

Section 3. This Resolution shall take effect immediately.

Passed and approved this **10th day of September 2020**.


Alan Daniel Young, Executive Director
South Carolina Coordinating Council for
Economic Development